A

PROVINCE OF NEWFOUNDLAND

ACCOUNTS OF
CROWN CORPORATIONS
BOARDS
AND
AUTHORITIES

1980

PRINTED UNDER AUTHORITY OF THE TREASURY BOARD
ST. JOHN'S, NEWFOUNDLAND

PRINTED BY ROBINSON-BLACKMORE PRINTING AND PUBLISHING LIMITED.

GOVERNMENT OF NEWFOUNDLAND AND LABRADOR

Department of Finance

May, 1982

The Honourable W. Anthony Paddon
Lieutenant-Governor of the Province of Newfoundland.

Sir,

I have the honour to present the Accounts of Crown Corporations, Boards and Authorities for the fiscal year 1980.

Respectfully submitted,

Your Honour's obedient servant,

JOHN F. COLLINS, F.R.C.P.(E.)
Minister of Finance.

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Note

The financial statements of the following agencies were not available in time for inclusion in this volume:

Grace Hospital Extension Corporation Limited
Mooring Cove Building Corporation Limited
Newfoundland Government Building Corporation Limited
NORDCO Limited
Northern Hospitals Building Corporation Limited
Pepperrell Hospital Reconstruction Corporation Limited

DEPARTMENT OF THE AUDITOR GENERAL
St. John's Newfoundland

AUDITOR'S REPORT

The Board of Governors of
the Bay St. George Community College
Stephenville, Newfoundland

I have examined the balance sheet of the Board of Governors of the Bay St. George Community College as at 31 March 1980 and the statements of revenue, expenditure and surplus and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances, except as explained in the following paragraph.

Because adequate records of expenditure classification were not maintained for the first nine months of the year, I was not able to verify expenditure classification nor satisfy myself concerning the classification by alternative means. As a result, I was unable to determine whether changes to the expenditure classification might be necessary.

In my opinion, except for possible changes in expenditure classification, if any, which I might have determined to be necessary had I been able to examine the records of expenditure classification referred to in the preceding paragraph, these financial statements present fairly the financial position of the Board as at 31 March 1980 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

R.E GRUCHY, C.A.,
for J.E. RICHARDS
Deputy Auditor General

St. John's, Newfoundland
21 November 1980

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BOARD OF GOVERNORS
THE BAY ST. GEORGE COMMUNITY COLLEGE
Index to Financial Statements
31 March 1980

Balance Sheet	**Statement 1**
Statement of Revenue, Expenditure and Surplus	**" 2**
Statement of Changes in Financial Position	**" 3**

BOARD OF
THE BAY ST. GEORGE

Balance
31 March

Assets

Current assets:	
Cash	$124,029
Accounts receivable	61,188
Less: Allowance for doubtful accounts	854
	60,334
Inventory - at cost	
Textbooks	25,885
Cafeteria	26,444
Handcraft supplies	14,332
Safety supplies	1,647
Free-issue clothing	356
	68,664
Total current assets	253,027
Fixed assets - at cost (Note 3)	
Heavy equipment and motor vehicles	1,770,753
Other equipment, furniture and fixtures	745,703
Total fixed assets	2,516,456
Less: Contributions to fixed assets:	
Provincial Government grants	2,344,641
Assets expensed in year of acquisition	171,815
	2,516,456
	—
Total assets	$253,027

STATEMENT 1

GOVERNORS COMMUNITY COLLEGE

Sheet 1980

LIABILITIES AND SURPLUS

Current liabilities:	
Accounts payable	$ 22,741
Accrued liabilities	104,668
Total current liabilities	127,409
Surplus - Statement 2	125,618
Total liabilities and surplus	$253,027

See accompanying notes

Signed on behalf of the Board of Governors:

Chairman of the Board of Governors

President

STATEMENT 2

BOARD OF GOVERNORS
THE BAY ST. GEORGE COMMUNITY COLLEGE
Statement of Revenue, Expenditure and Surplus
For the year ended 31 March 1980

REVENUE

Grants-in-aid:	
Province of Newfoundland:	
Manpower training allowance	$2,174,939
Operating allowance	765,886
	2,940,825
Student fees:	
Course fees	29,973
Tuition fees - night	24,419
Shop and laboratory fees - day	1,230
Tuition fees - nonresidents	270
	55,892
Sales and services:	
Cafeteria sales	94,361
Student residence fees	65,158
Bookstore sales	11,076
Safety supply sales	2,577
	173,172
Other:	
Interest	34,616
Commissions	740
Gain on sale of fixed assets	155,810
Miscellaneous	12,220
	203,386
Total revenue	$3,373,275

EXPENDITURE AND SURPLUS

Instructional:	
Salaries	$1,698,386
Supplies	133,420
Vehicle	70,497
Cafeteria purchases	31,152
Building rentals	19,305
Manpower students' textbooks	14,036
Rentals, repairs and maintenance - equipment	13,935
Travel	7,398
Manpower students' union fees and insurance	6,235
Laundry	3,839
Miscellaneous	3,627
Small tool purchases	3,345
Freight	422
Total instructional	2,005,597
Administrative and other:	
Salaries	939,367
Cafeteria purchases	72,687
Student allowances	51,922
Rentals, repairs and maintenance - equipment	14,214
Bookstore purchases	12,232
Office supplies	10,640
Travel	9,139
Vehicle	6,737
Utility services	5,791
Students residence - laundry	4,685
Library purchases	2,959
Safety Supply purchases	2,577
Miscellaneous	1,540
Insurance	1,443
Interest	1,217
Staff training	958
Provision for doubtful accounts	854
Advertising	332
Assets expensed in year of acquisition	171,815
Total administrative and other	1,311,109
Total expenditure	3,316,706
Excess of revenue over expenditure	56,569
Surplus	
Beginning of year (Note 2)	69,049
End of year	$ 125,618

See accompanying notes.

STATEMENT 3

BOARD OF GOVERNORS
THE BAY ST. GEORGE COMMUNITY COLLEGE
Statement of Changes in Financial Position
For the year ended 31 March 1980

Source of funds	
From operations —	
Excess of revenue over expenditure	$ 56,569
Add: Fixed assets expensed in year of acquisition	171,815
	228,384
Less: Gain on sale of fixed assets	155,810
	72,574
Capital contributions by Province of Newfoundland	2,344,641
Proceeds from sale of fixed assets	155,810
	2,573,025
Application of funds	
Additions to fixed assets - net	2,516,456
Increase in working capital	56,569
Working capital, beginning of year	69,049
Working capital, end of year	$125,618

See accompanying notes

BOARD OF GOVERNORS
THE BAY ST. GEORGE COMMUNITY COLLEGE
Notes to Financial Statements
For the year ended 31 March 1980

1. Accounting policy

   Most fixed asset acquisitions are financed by Province of Newfoundland capital grants which are deducted in total from the fixed assets on the balance sheet. The balance of the fixed assets are financed through current account funds.

2. The College commenced operations as a separate entity on 1 April 1979. The assets on hand at that date were contributed by the Province of Newfoundland and were as follows:

Inventory:	
Textbooks	$ 27,906
Cafeteria	25,000
Handcraft supplies	11,582
Safety supplies	4,561
	$ 69,049

Fixed assets:	
Heavy equipment and motor vehicles	$1,886,747
Other equipment, furniture and fixtures	705,482
	$2,592,229

Title to these assets has not been formally transferred to the College.

3. In accordance with Section 5 of the Bay St. George Community College Act, 1977, C19, the land and buildings presently being used by the College are the property of the Province of Newfoundland. Expenditures for repairs and maintenance to these buildings, paid for by the Province, have not been recorded in the financial statements of the College for the year ended 31 March 1980. The total of these expenditures could not be made available by the Province. If these figures had been available, both the revenue and expenditure of the College would have increased by those amounts.

4. Operating expenditures of $33,511 for office supplies, telephone, printing and advertising paid for by the Province of Newfoundland have not been recorded in the financial statements of the College for the year ended 31 March 1980.

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders,
Bell Island Hospital Building
Corporation Limited,
St. John's, Newfoundland

I have examined the balance sheet of Bell Island Hospital Building Corporation Limited as at 31 March 1980 and the statement of income and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the corporation as at 31 March 1980 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

R.E. GRUCHY, C.A.
for J.F. McGRATH, C.A.,
Auditor General.

St. John's, Newfoundland
8 May 1981

BELL ISLAND HOSPITAL BUILDING

Balance
31 March

	1980	1979
ASSETS		
Current assets:		
Cash	$ 344	$ 242
Accrued rent	2,500	2,500
Prepaid expenses	712	1,036
	3,556	3,778
Fixed assets, at cost: (Note 4)		
Land	3,000	3,000
Buildings	1,353,349	1,353,349
	1,356,349	1,356,349
Less: Government grant in aid of construction	122,139	122,139
	1,234,210	1,234,210
Intangible assets:		
Oraganization expense	266	266
Sinking fund assets held by trustee (re: Series "B" Bonds)		
Cash	2,824	10,595
Investments at cost (Note 2)	502,090	416,697
Accrued interest receivable	1,331	1,331
	506,245	428,623
Total assets	$1,744,277	$1,666,877

STATEMENT 1

CORPORATION LIMITED

Sheet
1980

		1980	1979
LIABILITIES			
Current liabilities:			
Accrued interest on bonds		$ 2,500	$ 2,500
Deferred revenue - per contra		712	1,036
		3,212	3,536
Long-term debt: (Note 4)			
First Mortgage Sinking Fund Bonds 6% Series "B" dated 15 September 1964 maturing 15 September 1989		1,000,000	1,000,000
Total liabilities		1,003,212	1,003,536
SHAREHOLDERS' EQUITY			
Share capital:			
Authorized:			
100 common shares of par value $1,000 each	$100,000		
Issued and fully paid:			
3 shares		3,000	3,000
Capital contributions:			
Bell Island Hospital Building Fund		111,359	111,359
Repayment of long-term debt by Province of Newfoundland		120,000	120,000
		231,359	231,359
Sinking fund balance		506,245	428,623
Retained earnings		461	359
Total shareholders' equity		741,065	663,341
Total liabilities and shareholders' equity		$1,744,277	$1,666,877

See accompanying notes

Signed on behalf of the Board of Directors

D.G. NORRIS
Director

GILBERT G. GILL
Director

STATEMENT 2

BELL ISLAND HOSPITAL BUILDING CORPORATION LIMITED

Statement of Income and Retained Earnings
For the year ended 31 March 1980

	1980	1979
REVENUE		
Province of Newfoundland:		
Rental of Bell Island Hospital	$95,073	$94,529
Interest income	102	173
	95,175	94,702
EXPENDITURE		
Debt Charges:		
Payment to trustee for bondholders on account of principal and interest on First Mortgage Bonds:		
Principal	31,000	31,000
Interest	60,000	60,000
	91,000	91,000
Trustee's fees and sundry	2,528	1,661
Fire insurance	1,545	1,868
	95,073	94,529
Net income	102	173
Retained earnings, beginning of year	359	186
Retained earnings, end of year	$ 461	$ 359

See accompanying notes

BELL ISLAND HOSPITAL BUILDING CORPORATION LIMITED

Notes to Financial Statements
For the year ended 31 March 1980

1. ACCOUNTING POLICIES

(a) **Fixed Assets**

Fixed assets are not being depreciated, but payments of principal and interest on long-term debt are expensed in the financial statements.

Certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholders and which were paid for by the lessee, are not included in these financial statements.

(b) **Interest Income**

All payments on account of principal and interest on the First Mortgage Bonds are paid into a Debt Service Fund. The interest on the Fund is recorded as interest income and is periodically paid to the Province as a distribution of retained earnings.

(c) **Rental Revenue**

The rental revenue received from the Province is equal to the annual amount required to be paid on account of principal and interest and other expenses. Thus, accrued rent and deferred revenue equal accrued interest on bonds and prepaid expenses of the Corporation.

(d) **Sinking Fund Investments**

Investments are recorded at cost at the time of purchase. Investments are relieved from the account at average cost upon disposal.

2. SINKING FUND INVESTMENTS SERIES "B" BONDS

Investments held at 31 March 1980 were:

	Principal Amount	Market Value	Cost
Province of Newfoundland —			
Various issues maturing September 1980 to May 1992	$ 63,000	$52,341	$ 60,638
Guaranteed Investment Certificates	281,504	281,504	281,504
Bell Island Hospital Building Corporation Limited —			
6% First Mortgage Sinking Fund bonds maturing 15 September 1989	211,000	121,336	159,948
	$555,504	$455,181	$502,090

3. **During each of the ensuing five years the Corporation will have to pay to the Sinking Fund principal amounts of $31,000.**

4. **Fixed assets have been pledged as security for the long term debt.**

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders
B.L.C. Building Corporation Limited
St. John's, Newfoundland

I have examined the balance sheet of the B.L.C. Building Corporation Limited as at 31 March 1980 and the statement of income and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the corporation as at 31 March 1980 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
18 March 1981

B.L.C. BUILDING

Balance

31 March

	1980	1979
ASSETS		
Current Assets:		
Accrued rent	$ 31,957	$ 33,318
Prepaid expenses	888	2,116
	32,845	35,434
Fixed assets, at cost: (Note 2)		
Land	48,160	48,160
Building, equipment and machinery	3,234,280	3,234,280
	3,282,440	3,282,440
Less: Government grant in aid of construction	7,538	7,538
	3,274,902	3,274,902
Intangible assets:		
Organization expense	254	254
Total assets	$3,308,001	$3,310,590

STATEMENT 1

CORPORATION LIMITED
Sheet
1980

LIABILITIES

Current liabilities:			
Accrued interest on bonds		$ 31,957	$ 33,318
Deferred revenue - per contra		888	2,116
Long-term debt due within one year		131,226	124,773
		164,071	160,207
Long-term debt: (Note 2)			
5 5/8% First Mortgage Sinking Fund Bonds, dated 1 January 1966, maturing 1 July 1991		1,922,142	2,053,368
Total liabilities		2,086,213	2,213,575

SHAREHOLDERS' EQUITY

Share capital:			
Authorized 100 common shares of par value of $1,000 each	$100,000		
Issued and fully paid 3 shares		3,000	3,000
Capital contributions:			
Repayment of long-term debt by the Province of Newfoundland		1,216,532	1,091,759
Retained earnings		2,256	2,256
Total shareholders' equity		1,221,788	1,097,015
Total liabilities and shareholders' equity		$3,308,001	$3,310,590

See accompanying notes.

Signed on behalf of the Board of Directors

D.G. NORRIS
Director

GILBERT G. GILL
Director

STATEMENT 2

B.L.C. BUILDING CORPORATION LIMITED

Statement of Income and Retained Earnings
For the year ended 31 March 1980

		1980	1979
REVENUE			
Province of Newfoundland			
Rental of B.L.C. Building		$269,377	$270,684
Interest income		1,455	1,144
		270,832	271,828
EXPENDITURE			
Debt charges:			
Payments to trustee for bondholders on account of principal and interest on First Mortgage Bonds			
Principal	$116,000		
Interest	112,303		
	$228,303 U.S.	264,510	263,380
Trustee's fees and sundry		975	971
Fire insurance premium		3,892	6,333
		269,377	270,684
Excess of revenue over expenditure		1,455	1,144
Retained earnings, beginning of year		2,256	2,256
		3,711	3,400
Amount paid to the Province		1,455	1,144
Retained earnings, end of year		$ 2,256	$ 2,256

See accompanying notes.

B.L.C. BUILDING CORPORATION LIMITED
Notes to Financial Statements
For the year ended 31 March 1980

1. ACCOUNTING POLICIES

(a) **Fixed assets**

Fixed assets are not being depreciated but payments of principal and interest on long-term debt are expensed in the financial statements. Certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholders and which were paid for by the Lessee, are not included in these accounts.

(b) **Rental revenue**

The rental revenue received from the Province is equal to the annual amount required to be paid on account of principal and interest, and other expenses. Thus, accrued rent and deferred revenue equal accrued interest on bonds and prepaid expenses of the corporation.

(c) **Interest income**

All payments on account of principal and interest on the First Mortgage Bonds are paid into a Debt Service Fund. The interest on the Fund is recorded as interest income and is periodically paid to the Province as a distribution of surplus.

2. **Long-term debt**

The First Mortgage Sinking Fund Bonds, payable in U.S. dollars, are stated in Canadian dollars at the net realized amount at the time of issue. At 31 March 1980 the Canadian equivalent of the outstanding principal amount of $1,909,000 U.S., translated at current exchange rates, was $2,272,474.

Fixed assets have been pledged as security for the long-term debt.

The payments required in each of the next five years to meet retirement provisions are as follows:

	U.S. Funds
Year ending 31 March 1981	$122,000
1982	129,000
1983	136,000
1984	144,000
1985	152,000

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Board of Governors of the
College of Fisheries, Navigation,
Marine Engineering and Electronics,
St. John's, Newfoundland

I have examined the balance sheet of the Board of Governors of the College of Fisheries, Navigation, Marine Engineering and Electronics as at 31 March 1980 and the statements of surplus, revenue and expenditure and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at 31 March 1980 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

R.E. GRUCHY, C.A.
for J.E. RICHARDS,
Deputy Auditor General.

St. John's, Newfoundland
9 September 1980

BOARD OF GOVERNORS
COLLEGE OF FISHERIES, NAVIGATION, MARINE ENGINEERING AND ELECTRONICS
Index to Financial Statements
31 March 1980

Balance Sheet STATEMENT 1
Statement of Surplus " 2
Statement of Revenue and Expenditure " 3
Statement of Changes in Financial Position " 4

BOARD OF
COLLEGE OF FISHERIES,
MARINE ENGINEERING

Balance
31 March

	1980	1979
ASSETS		
Current Assets		
Cash	$ 78,693	$ 1,569
Accounts receivable	108,774	87,634
Travel advances	6,855	6,311
Inventories - at cost	48,053	49,844
Total current assets	242,375	145,358
Fixed Assets		
Building renovations and alterations — at cost	335,445	299,660
Equipment — at cost	2,780,347	2,691,265
Motor vessel - per appraisal by Captain J.J. Strong, Master Mariner, as of 26 May 1966	200,000	200,000
	3,315,792	3,190,925
	3,558,167	3,336,283
Trust Fund —		
Cash and investments (Note 3)	36,666	35,586
Pension Fund —		
Cash and investment held by trustee	3,860,459	3,280,931
	$7,455,292	$6,652,800

STATEMENT 1

GOVERNORS NAVIGATION, AND ELECTRONICS

Sheet
1980

	1980	1979
LIABILITIES AND SURPLUS		
Current Liabilities		
Bank overdrafts	$ 3,075	$ 24,888
Accounts payable	229,360	40,885
Total current liabilities	232,435	65,773
Capital		
Contributed		
Province of Newfoundland	3,164,899	3,074,257
Other	86,742	86,742
	3,251,641	3,160,999
Surplus (Statement 2)	74,091	109,511
	3,558,167	3,336,283
Trust Fund - gifts and grants		
Fund balance	36,666	35,586
Pension Fund —		
Fund balance	3,860,459	3,280,931
	$7,455,292	$6,652,800

Signed on behalf of the Board

Chairman

Member

See accompanying notes

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STATEMENT 2

BOARD OF GOVERNORS
COLLEGE OF FISHERIES, NAVIGATION, MARINE ENGINEERING AND ELECTRONICS
Statement of Surplus
For the year ended 31 March 1980

	1980	1979
Balance, 1 April	$109,511	$136,715
Excess of expenditure over revenue	35,420	27,204
Balance, 31 March	$ 74,091	$109,511

See accompanying notes

BOARD OF
COLLEGE OF FISHERIES, NAVIGATION,

Statement of Revenue
For the year ended

	1980	1979
REVENUE		
Province of Newfoundland		
Grant-in-aid	$4,615,000	$4,170,000
Operating expenses paid by Department of Public Works (Note 4)	—	468,440
	4,615,000	4,638,440
Student fees	160,016	82,274
Student board	53,068	65,417
Books and equipment sales	43,400	24,013
Miscellaneous	22,002	9,106
Cafeteria sales	35,892	23,074
	$4,929,378	$4,842,324

STATEMENT 3

GOVERNORS
MARINE ENGINEERING AND ELECTRONICS

and Expenditure
31 March 1980

	1980	1979
EXPENDITURE		
Administration		
Salaries (Note 4)	$ 532,274	$ 621,246
Travelling	3,508	4,025
Office supplies and expense	50,004	45,827
Repairs and maintenance — buildings and equipment (Note 4)	121,170	436,604
Fees and allowances	12,706	11,558
Cleaning	1,629	601
Equipment rentals	11,995	—
	733,286	1,119,861
Instructional		
Salaries	3,231,716	2,797,993
Office supplies and expense	34,616	35,479
Teaching supplies	202,746	210,044
Travelling	75,808	66,271
Fees and allowances	39,701	26,151
Transportation - new staff	5,619	259
Rentals - building and equipment	31,740	43,236
Cleaning	1,468	1,131
Laundry	3,077	2,902
M.V. Beinir - operating expenses	75,732	41,312
	3,702,223	3,224,778
Students		
Board and lodging subsistence allowance	200,873	196,110
Transportation	21,538	20,498
	222,411	216,608
Other		
Provision for doubtful accounts	2,000	—
College pension plan	193,094	201,780
Medical and disability insurance	33,176	29,835
Miscellaneous	5,446	6,326
Bookstore	72,741	68,886
Research and special projects	421	1,454
	306,878	308,281
	4,964,798	4,869,528
Excess of expenditure over revenue (to Statement 2)	$ 35,420	$ 27,204

See accompanying notes

STATEMENT 4

BOARD OF GOVERNORS
COLLEGE OF FISHERIES, NAVIGATION, MARINE ENGINEERING AND ELECTRONICS
Statement of Changes in Financial Position
For the year ended 31 March 1980

	1980	1979
Source of working capital		
Capital contributions		
Province of Newfoundland	$100,000	$200,000
Use of working capital		
Excess of expenditure over revenue	35,420	27,204
Additions to fixed assets	134,225	198,320
	169,645	225,524
Decrease in working capital	69,645	25,524
Working capital, beginning of year	79,585	105,109
Working capital, end of year	$ 9,940	$ 79,585

See accompanying notes

BOARD OF GOVERNORS
COLLEGE OF FISHERIES, NAVIGATION, MARINE ENGINEERING AND ELECTRONICS
Notes to Financial Statements
For the year ended 31 March 1980

1. Accounting policies

   (a) Fixed assets of the College are not depreciated.

   (b) In accordance with Section 6 of the College of Fisheries Act, the land and buildings occupied by the College are the property of the Province of Newfoundland. The amounts shown represent costs incurred by the College of Fisheries only.

2. (a) As determined by actuarial consultants, the unfunded liability of the College of Fisheries, Navigation, Marine Engineering and Electronics Pension Fund as at 31 December 1974 amounted to $1,074,500 on the no-inflation basis. This unfunded liability was being amortized over a thirty-year period beginning in 1975, at an annual payment of $61,000. However, such amortization payments were discontinued in the fiscal year ended 31 March 1979.

   (b) Under The Public Service (Pensions) (College of Fisheries, Navigation, Marine Engineering and Electronics) Regulations, 1980, dated 9 September 1980; effective from 31 August 1978, the College's employees were assimilated into the Public Service Pension Plan which is administered by the Province of Newfoundland. However, to date the College and its employees are still making payments to the College's Pension Fund, rather than contributing to the Consolidated Revenue Fund as required by The Public Service (Pension) Act. Also, a date has not yet been finalized to transfer the assets and liabilities of the College Pension Fund to the Province.

3. The trust fund includes a bank balance of $30,678. This balance represents health insurance rebates accumulated over past years.

4. Expenditures for repairs and maintenance to buildings, incurred by the Department of Public Works and Services, have not been recorded in the Corporation's financial statements for the year ended 31 March 1980. The total of these expenditures could not be made available by the Department of Public Works and Services at audit date. If these figures had been available, both the revenue and expenditure of the College would have increased by those amounts.

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DEPARTMENT OF THE AUDITOR GENERAL

St. John's, Newfoundland

AUDITOR'S REPORT

To the Board of Governors of the
College of Fisheries, Navigation,
Marine Engineering and Electronics,
St. John's, Newfoundland

I have examined the balance sheet of the Board of Governors of the College of Fisheries, Navigation, Marine Engineering and Electronics, Pension Fund, as at 31 March 1980 and the statement of revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Pension Fund as at 31 March 1980 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

R.E. GRUCHY, C.A.
for J.E. RICHARDS,
Deputy Auditor General.

St. John's, Newfoundland
9 September 1980

COLLEGE OF FISHERIES, NAVIGATION, PENSION

Balance
As at 31 March

	1980	1979
ASSETS		
Cash	$ 93,243	$ 51,761
Contributions receivable	19,577	—
Accrued investment interest	30,381	23,957
Investment in Royal Trust classified investment funds — at cost (market value 1980 - $3,832,618 1979 - $3,443,354)	3,717,258	3,205,213
	$3,860,459	$3,280,931

MARINE ENGINEERING AND ELECTRONICS FUND

Sheet
1980

LIABILITIES

Pension fund balance		
Balance - beginning of year	$3,280,931	$2,786,884
Add: Excess of revenue over expenditure for the year	579,528	494,047
Balance - end of year	$3,860,459	$3,280,931

See accompanying notes

Signed on behalf of the Board of Governors

Chairman

Member

COLLEGE OF FISHERIES, NAVIGATION, MARINE ENGINEERING AND ELECTRONICS

PENSION FUND

Statement of Revenue and Expenditure

For the year ended 31 March 1980

	1980	1979
REVENUE		
Contribution by College	$176,265	$187,601
Contribution by employees	157,379	146,652
Investment income	305,642	240,904
Interest on cash balance	5,569	3,833
Gain on sale of investments	109,657	667
	$754,512	$579,657
EXPENDITURE		
Contributions refunded	$ 61,051	$ 22,964
Pension payments	113,933	62,646
	174,984	85,610
Excess of revenue over expenditure for the year — carried forward to balance sheet	$579,528	$494,047

See accompanying notes

COLLEGE OF FISHERIES, NAVIGATION, MARINE ENGINEERING AND ELECTRONICS

PENSION FUND

Notes to Financial Statements

For the year ended 31 March 1980

1. **Pension Fund**

(a) As determined by actuarial consultants, the unfunded liability of the College of Fisheries, Navigation, Marine Engineering and Electronics Pension Fund as at 31 December 1974 amounted to $1,074,500 on the no-inflation basis. This unfunded liability was being amortized over a thirty-year period, beginning in 1975, at an annual payment of $61,000. However, such amortization payments were discontinued in the fiscal year ended 31 March 1979.

(b) Under the Public Service (Pensions) (College of Fisheries, Navigation, Marine Engineering and Electronics) Regulations, 1980, of 9 September 1980; effective from 31 August 1978, the College's employees were assimilated into the Public Service Pension Plan which is administered by the Province of Newfoundland. However, to date the College and its employees are still making payments to the College's Pension Fund, rather than contributing to the Consolidated Revenue Fund as required by The Public Service (Pension) Act. Also, a date has not yet been finalized to transfer the assets and liabilities of the College Pension Fund to the Province.

(c) Assets of the Pension Fund are held by the Royal Trust Company.

(d) The total of the assets and liabilities of The Pension Fund is also included in the financial statements of the College of Fisheries, Navigation, Marine Engineering and Electronics for the year ended 31 March 1980.

DEPARTMENT OF THE AUDITOR GENERAL

St. John's, Newfoundland

AUDITOR'S REPORT

The Board of Governors of the
College of Trades and Technology,
St. John's, Newfoundland.

I have examined the balance sheet of The College of Trades and Technology as at 31 March 1980 and the statements of revenue and expenditure, surplus and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the College as at 31 March 1980 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

D.E. HOWLEY, F.C.A.
Auditor General.

St. John's, Newfoundland
1 July 1980

THE COLLEGE OF TRADES AND TECHNOLOGY
Index to Financial Statements
31 March 1980

Balance Sheet Statement 1

Statement of Surplus " 2

Statement of Revenue and Expenditure " 3

Statement of Changes in Financial Position " 4

THE COLLEGE OF TRADES

Balance
31 March

	1980	1979
ASSETS		
Current assets:		
Cash	$ 323,095	$ 975,090
Short-term investment (30 day, due 11 April 1980)	500,000	—
Accounts receivable:		
Department of Manpower and Immigration	65,545	81,650
Other	17,485	31,240
	83,030	112,890
Accrued interest receivable	8,081	—
Inventory - at cost		
Textbooks	43,929	34,100
Cafeteria	8,817	7,549
	52,746	41,649
Total current assets	966,952	1,129,629
Fixed assets - at cost (Notes 2 and 4)		
Heavy machinery and equipment	1,681,530	1,450,048
Furniture and fixtures	121,764	116,851
Office machines	171,508	137,347
Carpentry shop project	11,361	11,361
Leasehold improvements - Topsail Road campus (Note 3)	615,941	615,941
Leasehold improvements - Building 910 (Note 3)	39,480	13,584
Building renovations - main campus	229,447	208,420
Paving - Topsail Road Campus	25,350	15,600
Total fixed assets	2,896,381	2,569,152
Less contributions to fixed assets:		
Provincial Government Grants	2,768,403	2,507,626
Assets expensed in year of acquisition	107,615	61,526
	2,876,018	2,569,152
	20,363	—
Trust accounts	8,419	17,825
Total assets	$ 995,734	$1,147,454

STATEMENT 1

AND TECHNOLOGY

Sheet

1980

	1980	1979
LIABILITIES AND SURPLUS		
Current liabilities:		
Accounts payable	$228,145	$ 238,129
Current portion of instalment contracts payable	11,055	—
Accrued liabilities — payroll	99,534	331,936
Employee payroll deductions and miscellaneous taxes payable	171,178	128,209
Total current liabilities	509,912	698,274
Long-term liabilities		
Instalment contracts payable (Note 4)	20,363	—
Less current portion shown above	11,055	—
	9,308	—
Total liabilities	519,220	698,274
Unexpended capital grant	73,932	62,709
Surplus - Statement 2	394,163	368,646
Trust accounts equity	8,419	17,825
Total liabilities and surplus	$995,734	$1,147,454

See accompanying notes

Signed on behalf of the Board of Governors:

JOHN GREEN
Chairman of the Board of Governors

K. DUGGAN
President

STATEMENT 2

THE COLLEGE OF TRADES AND TECHNOLOGY
Statement of Surplus
For the year ended 31 March 1980

	1980	1979
Balance, beginning of year	$368,646	$378,401
Deduct prior years' capital expenditure out of current funds (Note 5)	—	32,342
	368,646	346,059
Excess of revenue over expenditure — Statement 3	25,517	22,587
Balance, end of year - to Statement 1	$394,163	$368,646

See accompanying notes

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THE COLLEGE OF TRADES

Statement of Revenue
For the year ended

	1980	1979
REVENUE		
Province of Newfoundland:		
Grant-in-aid	$6,575,800	$5,900,000
Apprenticeship advances	890,000	979,800
	7,465,800	6,879,800
General Hospital Nursing Assistants' Program	133,500	135,000
Bookstore sales	188,572	167,305
Cafeteria sales	103,638	95,382
Student fees	139,068	106,262
Interest income	116,146	59,241
Miscellaneous	32,340	17,161
	713,264	580,351
Total revenue	$8,179,064	$7,460,151

STATEMENT 3

AND TECHNOLOGY

and Expenditure
31 March 1980

	1980	1979
EXPENDITURE		
Administrative and General:		
Salaries	$1,355,094	$1,229,213
Office supplies	79,919	69,548
Advertising and public relations	9,861	17,190
Travel	18,154	16,882
Utility services	210,288	182,579
Repairs and maintenance - buildings and grounds	292,733	274,498
Insurance	3,543	3,402
Vehicle expense	7,947	6,287
Freight and duty	11,232	11,102
Miscellaneous	6,685	3,668
Student activities grant	22,604	22,876
Staff training	1,624	—
Total administrative and general	2,019,684	1,837,245
Instructional:		
Salaries	4,404,058	3,946,293
Travel	14,945	13,304
Student transportation	18,893	20,876
Instructional supplies	398,941	411,656
Professional fees	22,239	27,085
Staff recruitment	5,273	4,107
Instructor's training	1,483	501
Rentals, repairs and maintenance — equipment	198,486	199,891
Building rentals	100,407	70,827
Total instructional	5,164,725	4,694,540
Other:		
Student allowances	553,826	547,239
Bookstore purchases	227,868	199,525
Cafeteria purchases	82,483	80,581
Library and audio visual purchases	56,855	49,250
Interest expense	2,017	—
Assets expensed in year of acquisition	46,089	29,184
Total other	969,138	905,779
Total expenditure	8,153,547	7,437,564
Excess of revenue over expenditure — to Statement 2	$ 25,517	$ 22,587

See accompanying notes

STATEMENT 4

THE COLLEGE OF TRADES AND TECHNOLOGY
Statement of changes in Financial Position
For the year ended 31 March 1980

	1980	1979
Source of funds		
From operations —		
Excess of revenue over expenditure	$ 25,517	$ 22,587
Add fixed assets expensed in year of acquisition	46,089	29,184
	71,606	51,771
Capital contribution by Province of Newfoundland	272,000	458,000
Instalment contract payable	9,308	—
	352,914	509,771
Application of funds		
Addition to fixed assets	327,229	443,259
Increase in working capital	25,685	66,512
Working capital, beginning of year	431,355	364,843
Working capital, end of year	$457,040	$431,355

See accompanying notes

THE COLLEGE OF TRADES AND TECHNOLOGY
Notes to Financial Statements
For the year ended 31 March 1980

1. Accounting Policy

   Most fixed asset acquisitions are financed by Province of Newfoundland capital grants which are deducted in total from the fixed assets on the balance sheet. The balance of the fixed assets are financed through current account funds and mostly represent capital assets created by the College.

2. In accordance with Section 5 of The College of Trades and Technology Act, R.S.N., 1970, C.49, the land, buildings and equipment in use by the College at the date of formation of the Board are the property of Technical College Building Corporation Limited, a Provincial Crown Corporation.

3. The College leases its Topsail Road Campus and Building 910, Pleasantville from the Department of Public Works and Services.

4. Fixed assets totalling $30,807 have been pledged as security for an instalment contract payable.

5. Surplus has been charged with $32,342 for assets purchased from current funds that were previously not charged to operations. The College has since changed its policy and in future all fixed assets purchased from current funds will be charged to operations in the year of acquisition.

6. Certain comparative figures have been regrouped to conform with the current year's presentation.

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders,
Corner Brook Hospital Buildings
Corporation Limited,
St. John's, Newfoundland.

I have examined the balance sheet of Corner Brook Hospital Buildings Corporation Limited as at 31 March 1980 and the statement of income and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the corporation as at 31 March 1980 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

R.E. GRUCHY, C.A.
for J.F. McGRATH, C.A.,
Auditor General.

St. John's, Newfoundland
8 May 1981

CORNER BROOK HOSPITAL

Balance
31 March

	1980	1979
ASSETS		
Current assets:		
Accrued rent	$ 20,829	$ 21,499
Accounts receivable	—	865
Prepaid expenses	876	876
	21,705	23,240
Fixed assets, at cost (Note 2):		
Land	3,000	3,000
Nurses' residence and training school	2,998,527	2,998,527
	3,001,527	3,001,527
Less: Government grant in aid of construction	130,602	130,602
	2,870,925	2,870,925
Intangible assets:		
Organization expenses	251	251
Total assets	$2,892,881	$2,894,416

STATEMENT 1

BUILDINGS CORPORATION LIMITED

Sheet
1980

LIABILITIES

Current liabilities:			
Accounts payable		$ —	$ 865
Accrued interest on bonds		20,829	21,499
Deferred revenue - per contra		876	876
Long-term debt due within one year		114,081	107,624
		135,786	130,864
Long-term debt (Note 2)			
6 1/8% First Mortgage Sinking Fund Bonds, dated 1 May 1966, maturing 1 August 1991		1,730,592	1,844,673
Total liabilities		1,866,378	1,975,537

SHAREHOLDERS' EQUITY

Share capital			
Authorized			
100 common shares of par value of $1,000 each	$100,000		
Issued and fully paid - 3 shares		3,000	3,000
Capital contributions			
Repayment of long-term debt by Province of Newfoundland		1,023,503	915,879
Total shareholders' equity		1,026,503	918,879
Total liabilities and shareholders' equity		$2,892,881	$2,894,416

See accompanying notes

Signed on behalf of the Board of Directors

D.G. NORRIS
Director

GILBERT G. GILL
Director

STATEMENT 2

CORNER BROOK HOSPITAL BUILDINGS CORPORATION LIMITED

Statement of Income and Retained Earnings
For the year ended 31 March 1980

		1980	1979
REVENUE			
Province of Newfoundland:			
Rental of Nurses' residence and training school		$249,223	$246,149
Interest income		1,275	1,020
		250,498	247,169
EXPENDITURE			
Debt charges:			
Payments to trustee for bondholders on account of principal and interest on First Mortgage Bonds:			
Principal	$100,000		
Interest	108,586		
	$208,586 U.S.	244,598	241,550
Trustee's fees and sundry		862	865
Fire insurance premium		3,763	3,734
		249,223	246,149
Net income		1,275	1,020
Retained earnings, beginning of year		—	—
		1,275	1,020
Amount paid to the Province		1,275	1,020
Retained earnings, end of year		$ —	$ —

See accompanying notes

CORNER BROOK HOSPITAL BUILDINGS CORPORATION LIMITED

Notes to Financial Statements

For the year ended 31 March 1980

1. ACCOUNTING POLICIES

(a) **Fixed assets**

Fixed assets are not being depreciated, but payments of principal and interest on long-term debt are expensed in the financial statements.

Certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholders and which were paid for by the Lessee, are not included in these financial statements.

(b) **Bond Redemption**

The redemption of bonds is recorded using the exchange rate prevailing at the time of original issue.

(c) **Rental revenue**

The rental revenue received from the Province is equal to the annual amount required to be paid on account of principal and interest, and other expenses. Thus, accrued rent and deferred revenue equal accrued interest on bonds and prepaid expenses of the Corporation.

(d) **Interest income**

All payments on account of principal and interest on the First Mortgage Bonds are paid into a Debt Service Fund. The interest on the Fund is recorded as interest income and is periodically paid to the Province as a distribution of surplus.

2. LONG-TERM DEBT

The First Mortgage Sinking Fund Bonds, payable in U.S. dollars, are stated in Canadian dollars at the net realization amount at the time of issue. At 31 March 1980 the Canadian equivalent of outstanding long-term debt of $1,714,000 U.S., translated at current exchange rates was $2,040,345.

The fixed assets have been pledged as security for the long-term debt.

The aggregate amount of payments required in each of the next five years to meet retirement provisions is as follows:

Year ending 31 March 1981	**$106,000 U.S.**
1982	**113,000**
1983	**120,000**
1984	**128,000**
1985	**136,000**

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

The Chairman and Members,
The Farm Development Loan Board,
St. John's, Newfoundland

In compliance with the requirements of Section 14 of the Farm Development Loan Act, 1953, I have examined the balance sheet of the Farm Development Loan Board as at 31 March 1980 and the statement of receipts and disbursements for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Farm Development Loan Board as at 31 March 1980 and its receipts and disbursements for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

R.E. GRUCHY, C.A.
for D.E. Howley, F.C.A.
Auditor General

St. John's, Newfoundland
22 May 1980

FARM DEVELOPMENT

Balance
As at 31 March

	1980	1979
ASSETS		
Current		
Cash	155,274	$ 501,292
Loans receivable:		
Principal due and unpaid	475,750	379,305
Current portion of long-term loans	424,581	462,870
Interest due and unpaid	94,980	76,349
Interest accrued	30,731	23,634
	1,026,042	942,158
Less: Allowance for doubtful accounts	160,989	140,102
	865,053	802,056
Total current assets	1,020,327	1,303,348
Long-term		
Loans receivable	2,134,879	1,629,406
Less: Current portion	424,581	462,870
	1,710,298	1,166,536
	$2,730,625	$2,469,884

LOAN BOARD

Sheet
1980

EQUITY

Due to Province of Newfoundland		
Balance, 1 April 1979	$2,469,884	$2,204,159
Add: Grant received	200,000	200,000
Loan income (Note 2)	60,741	65,725
Balance, 31 March 1980	$2,730,625	$2,469,884

See accompanying notes

Signed on behalf of the Board

L. WHELAN	P.J. GRIFFIN
Chairman	Member

FARM DEVELOPMENT LOAN BOARD
Statement of Receipts and Disbursements
For the year ended 31 March 1980

	1980	1979
RECEIPTS		
Principal instalments on loan receivable	$359,977	$333,998
Interest on loans receivable	59,757	57,967
Advance from Province of Newfoundland	200,000	200,000
	619,734	591,965
DISBURSEMENTS		
Loans advanced for —		
Land	14,000	25,163
Equipment	245,480	143,178
Livestock	16,704	12,549
Construction of farm buildings	528,415	182,167
Swine	149,925	114,995
	954,524	478,052
Repayment of loan overpayment	11,228	1,537
	965,752	479,589
Excess of receipts over disbursements	(346,018)	112,376
Bank balance, 1 April 1979	501,292	388,916
Bank balance, 31 March 1980	$155,274	$501,292

See accompanying notes

FARM DEVELOPMENT LOAN BOARD

Notes to the Financial Statements
For the year ended 31 March 1980

1. **Operations**

The Department of Rural Agricultural and Northern Development, Province of Newfoundland, is responsible for all operating expenses of The Farm Development Loan Board.

2. **Loan Income**

Loan income consists of the following:

	1980	1979
Interest earned	$85,838	$70,183
Less: Provision for doubtful accounts	27,985	5,287
Add: Bad debt recoveries	2,888	829
	$60,741	$65,725

3. **Other Information**

The Board has approved loans amounting to $305,598 which had not been advanced as at 31 March 1980.

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

The Chairman and Members
The Fisheries Loan Board of
Newfoundland
St. John's, Newfoundland

In compliance with the requirements of Section 16 of the Fisheries Loan Act, 1970, I have examined the balance sheet of the Fisheries Loan Board of Newfoundland as at 31 March 1980 and the statement of receipts and disbursements for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fisheries Loan Board of Newfoundland as at 31 March 1980 and its receipts and disbursements for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

R.E. GRUCHY, C.A.
for J.E. RICHARDS
Deputy Auditor General

St. John's, Newfoundland
6 November 1980

FISHERIES LOAN BOARD

Balance
31 March

	1980	1979
ASSETS		
Current		
Cash on hand and in bank (Note 2)	$ 6,686,992	$ 318,397
Lease revenue receivable	31,767	33,795
Advances receivable (Note 3)	4,909,086	1,969,810
Loans receivable: (Note 4)		
Principal due and unpaid	3,513,773	3,169,256
Current portion of long-term loans	3,203,907	3,236,102
Interest due and unpaid	663,326	538,103
Interest accrued	459,062	307,452
	7,840,068	7,250,913
Less: Allowance for doubtful accounts (Note 1)	3,225,003	2,022,856
	4,615,065	5,228,057
Total current assets	16,242,910	7,550,059
Long-term		
Loans receivable	31,656,267	19,697,206
Less: Current portion	3,203,907	3,236,102
	28,452,360	16,461,104
	$44,695,270	$24,011,163

STATEMENT I

OF NEWFOUNDLAND

Sheet
1980

	1980	1979
LIABILITIES		
Current		
Borrowers' deposits	$ 1,070,187	$ 1,447,695
Tender deposits	373	—
Total current liabilities	1,070,560	1,447,695
EQUITY		
Due to Province of Newfoundland (Note 6)		
Balance, 1 April	22,563,468	16,063,492
Add: Advances received	18,700,000	5,899,940
Loan income (loss) (Note 7)	(251,635)	365,865
Miscellaneous income	—	125
Net proceeds on lease and sale of repossessed boats	63,462	239,429
Recovery on disposal of constructed marine vessels	2,572,197	—
	21,084,024	6,505,359
Less: Operating expenses covered by Board (Note 8)	22,782	5,383
	21,061,242	6,499,976
Balance, 31 March	43,624,710	22,563,468
	$44,695,270	$24,011,163

See accompanying notes

Signed on behalf of the Board

F.G. PIKE, R.I.A.
Chairman

ERIC D. WELLS, C.A.
Member

STATEMENT 2

FISHERIES LOAN BOARD OF NEWFOUNDLAND

Statement of Receipts and Disbursements
For the year ended 31 March 1980

	1980	1979
RECEIPTS		
Principal instalments and deposits on loans receivable	$ 5,677,591	$ 4,307,583
Principal instalments and deposits on vessel construction	5,413,615	1,744,155
Interest on loans receivable	580,130	431,594
Lease revenue	16,540	—
Tender deposits	373	125
Advances from Province of Newfoundland	18,700,000	5,899,940
Miscellaneous	1,102	3,860
	$30,389,351	$12,387,257
DISBURSEMENTS		
Amounts advanced for —		
Purchase of boats and equipment	9,454,496	8,488,609
Construction of vessels	14,545,928	3,605,115
Operating expenses paid by the Board	20,332	5,383
	24,020,756	12,099,107
Excess of receipts over disbursements	6,368,595	288,150
Bank balance, 1 April	318,347	30,197
Bank balance, 31 March	$ 6,686,942	$ 318,347

See accompanying notes

FISHERIES LOAN BOARD OF NEWFOUNDLAND
Notes to Financial Statements
For the year ended 31 March 1980

1 Accounting policies

The allowance for doubtful accounts is 9% of the loan principal and interest receivable at year end.

As per M.C. 1569-79 effective 11 December 1979 the Board will follow the practice of capitalizing interest of loan advances during construction.

2 Cash on hand and in bank

Of the cash on hand and in bank at year end approximately $6,200,000 was committed at year end.

3 Advances receivable

This account represents payments made for vessel construction. When the vessels are completed and the required documents are signed by the individual for whom the vessel is being constructed these expenditures are transferred to long-term loans receivable.

4 Receivables

Included in the principal and interest outstanding at year end is the amount of $541,248 which represents principal and interest due from individuals whose boats have been repossessed and sold. Of this amount $141,105 is doubtful as to its legal collectibility.

The Board made loans of $317,165 to individuals who were directors during the year. These loans were generally made under terms similar to other arms length loans except in one case where the Board made a loan of $19,674 to a director based on the equity in his old boat and this amount was used as a downpayment on another vessel. The consolidated loan amount on the old boat was $38,500 which equaled to the boat's appraisal value. Amounts owed by these directors at year end including principal and interest totalled $404,805.

5 Operations

The Department of Fisheries, Province of Newfoundland, was responsible for operating expenses totalling $667,936 of the Fisheries Loan Board of Newfoundland.

6 Due to Province of Newfoundland

As at 31 March 1980 direct advances repayable to the Province by the Board totalled $40,286,960. The remaining funds payable to the Province represent the net effect of revenue and expenditure transactions over the years.

7 Loan income (loss)

Loan income (loss) consists of the following:

	1980	1979
Interest earned	$ 949,410	$695,801
Less: Provision for doubtful accounts	1,201,045	329,936
	$(251,635)	$365,865

8 Operating expenses covered by the Board

Operating expenses consists of the following:

	1980	1979
Maintenance and selling expenses of vessels taken over by the Board	$10,674	$ 1,142
Professional fees	3,000	3,500
Office	608	603
Miscellaneous	8,500	138
	$22,782	$ 5,383

9 Other

At its 30 August 1979 meeting the Board approved loans totalling $1,195,764. It was subsequently found that the meeting did not have a quorum, however loans amounting to $755,508 were availed of prior to this matter coming to light. The legality of these loans is questionable considering the new Board to date has chosen not to ratify the decisions of the 30 August 1979 meeting.

10 Subsequent events

Effective 1 May 1980 The Fisheries Loan Act and Regulations were amended with a view to making the application requirements more definitive. A major financial change in this area involves the Chartered Banks handling all loans in excess of $50,000 but less than $1,000,000 under a financial guarantee of the Province. Effectively, such loans require the same support requirements of the Board with the exception of the disbursing of funds.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders
Gander Hospital Corporation Limited
St. John's, Newfoundland

I have examined the balance sheet of the Gander Hospital Corporation Limited as at 31 March 1980 and the statement of income and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Gander Hospital Corporation Limited as at 31 March 1980 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
10 September 1981

GANDER HOSPITAL

Balance

31 March

	1980	1979
ASSETS		
Current assets		
Cash	$ 965	$ 965
Accrued interest	3,536	2,443
Prepaid expenses	2,668	2,403
Total current assets	7,169	5,811
Fixed assets, at cost (Note 3)		
Land	3,000	3,000
Buildings	6,348,837	6,348,837
	6,351,837	6,351,837
Less Government grant in aid of construction	1,337,289	1,337,289
	5,014,548	5,014,548
Organization expenses	244	244
Debt service fund		
Guaranteed investment receipt held by trustee	132,312	132,187
Total assets	$5,154,273	$5,152,790

STATEMENT 1

CORPORATION LIMITED

Sheet

1980

LIABILITIES

Current liabilities			
Deferred revenue - per contra		$ 2,668	$ 2,403
Long-term debt due within one year		232,000	218,000
Total current liabilities		234,668	220,403
Long-term liability (Notes 2 and 3)			
First Mortgage Sinking Fund Bonds, 6 1/4% Series "B", dated 1 June 1962 maturing 1 June and 1 December 1969-1988		2,471,000	2,703,000
Total liabilities		2,705,668	2,923,403
SHAREHOLDERS' EQUITY			
Share capital			
Authorized			
100 common shares of $1,000 par value	$100,000		
Issued and fully paid			
3 shares		3,000	3,000
Capital contributions			
Repayment of long-term debt by Province of Newfoundland		2,297,000	2,079,000
Debt service fund		132,312	132,187
Retained earnings		16,293	15,200
Total shareholders' equity		2,448,605	2,229,387
Total liabilities and shareholders' equity		$5,154,273	$5,152,790

See accompanying notes

Signed on behalf of the Board of Directors

F.G. NORRIS
Director

GILBERT G. GILL
Director

STATEMENT 2

GANDER HOSPITAL CORPORATION LIMITED

Statement of Income and Retained Earnings
For the year ended 31 March 1980

	1980	1979
INCOME		
Province of Newfoundland		
Rental of hospital and nurses' residence	$409,354	$408,334
Interest on investments	13,538	9,631
	422,892	417,965
EXPENDITURE		
Debt charges		
Payments to trustee for bondholders on account of principal and interest on First Mortgage Bonds		
Principal	222,665	209,000
Interest	174,677	187,948
	397,342	396,948
Trustee's fees and sundry	1,605	1,612
Insurance	10,407	9,774
	409,354	408,334
Excess of revenue over expenditure	13,538	9,631
Retained earnings, beginning of year	15,200	14,684
	28,738	24,315
Amount paid to Province of Newfoundland	12,445	9,115
Retained earnings, end of year	$ 16,293	$ 15,200

See accompanying notes

GANDER HOSPITAL CORPORATION LIMITED

Notes to Financial Statements

For the year ended 31 March 1980

1 ACCOUNTING POLICIES

(a) **Fixed assets**

Fixed assets are not being depreciated, but payments of principal and interest on long-term debt are expensed in the financial statements.

Certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholders and which were paid for by the Lessee, are not included in these accounts.

(b) **Interest income**

All payments on account of principal and interest on the First Mortgage Bonds are paid into a Debt Service Fund. The interest on the Fund is recorded as interest income and is periodically paid to the Province as a distribution of retained earnings.

(c) **Rental revenue**

The rental revenue received from the Province is equal to the annual amount required to be paid on account of principal and interest and other expenses. Thus, prepaid expenses equal deferred revenue of the Corporation.

2 Principal payments coming due on the 6 1/4% Series "B" First Mortgage Bonds from 1981 to 1985 are $232,000; $246,000; $262,000; $279,000 and $297,000 respectively.

3 Fixed assets have been pledged as security for the long-term debt.

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders,
Grand Falls Hospital Corporation Limited,
St. John's, Newfoundland.

I have examined the balance sheet of the Grand Falls Hospital Corporation Limited as at 31 March 1980 and the statement of income and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at 31 March 1980 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
14 July 1981

GRAND FALLS HOSPITAL

Balance
31 March

	1980	1979
ASSETS		
Current assets:		
Accounts receivable	$ 1,238	$ 1,291
Prepaid expenses	3,670	3,306
	4,908	4,597
Fixed assets, at cost: (Note 3)		
Land	3,000	3,000
Buildings	4,838,557	4,838,557
	4,841,557	4,841,557
Less: Government grant-in-aid of construction	654,607	654,607
	4,186,950	4,186,950
Intangible assets:		
Organization expense	240	240
Debt service fund:		
Investments held by trustee	23,680	23,762
Total assets	$4,215,778	$4,215,549

STATEMENT 1

CORPORATION LIMITED

Sheet
1980

LIABILITIES

Current liabilities:			
Accounts payable - trustee's fees		$ 1,157	$ 1,209
Deferred revenue		3,669	3,306
Current portion of long-term debt		179,000	169,000
		183,826	173,515
Long-term debt: (Notes 2 and 3)			
6 1/2% Series "B" First Mortgage Sinking Fund Bonds, dated 1 March 1961, maturing 1 September 1987		1,485,000	1,664,000
Total liabilities		1,668,826	1,837,515

SHAREHOLDERS' EQUITY

Share capital:			
Authorized 100 common shares, par value of $1,000 each	$100,000		
Issued and fully paid 3 shares		3,000	3,000
Capital contributions:			
Central Newfoundland Hospital Committee		663,765	663,765
Repayment of long-term debt by Province of Newfoundland		1,836,000	1,667,000
		2,499,765	2,330,765
Retained earnings		20,507	20,507
Debt service fund balance		23,680	23,762
Total shareholders' equity		2,546,952	2,378,034
Total liabilities and shareholders' equity		$4,215,778	$4,215,549

See accompanying notes

Signed on behalf of the Board of Directors

PHILIP J. WALL
Director

GILBERT G. GILL
Director

STATEMENT 2

GRAND FALLS HOSPITAL CORPORATION LIMITED
Statement of Income and Retained Earnings
For the year ended 31 March 1980

	1980	1979
REVENUE		
Province of Newfoundland		
Rental of hospital and nurses' residence	$309,185	$299,859
Interest	9,707	7,001
	318,892	306,860
EXPENDITURE		
Debt charges:		
Payment to trustee for bondholders on account of principal and interest on First Mortgage Sinking Fund Bonds		
Principal	169,833	158,833
Interest	123,866	126,191
	293,699	285,024
Trustee's fees and sundry	1,172	1,216
Fire insurance premium	14,314	13,619
	309,185	299,859
Excess of revenue over expenditure	9,707	7,001
Retained earnings, beginning of year	20,507	23,478
	30,214	30,479
Amount paid to the Province	9,707	9,972
Retained earnings, end of year	$ 20,507	$ 20,507

See accompanying notes

GRAND FALLS HOSPITAL CORPORATION LIMITED

Notes to Financial Statements
For the year ended 31 March 1980

1. ACCOUNTING POLICIES

(a) **Fixed assets**

Fixed assets are not being depreciated but payments of principal and interest on long-term debt are expensed in the financial statements. Certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholder and which were paid for by the Lessee, are not included in these accounts.

(b) **Interest income**

All payments on account of principal and interest on the First Mortgage Bonds are paid into a Debt Service Fund. The interest on the Fund is recorded as interest income and is periodically paid to the Province as a distribution of surplus.

(c) **Rental revenue**

The rental revenue received from the Province is equal to the annual amount required to be paid on account of principal and interest, and other expenses. Thus, deferred revenue equals prepaid expenses of the Corporation.

2. Principal payments coming due on the First Mortgage Sinking Fund Bonds from 1981 to 1985 are: $179,000; $191,000; $203,000; $216,000 and $230,000 respectively.

3. Fixed assets have been pledged as security for the long-term debt.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

The Chairman and Members,
Harmon Corporation,
Stephenville, Newfoundland.

I have examined the balance sheet of the Harmon Corporation as at 31 March 1980 and the statements of revenue and expenditure and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Harmon Corporation as at 31 March 1980 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

R. E. GRUCHY, C.A.
for J. E. RICHARDS,
Deputy Auditor General

St. John's, Newfoundland
3 October 1980

HARMON CORPORATION
Index to Financial Statements
31 March 1980

Balance Sheet Statement 1

Statement of Retained Earnings " 2

Statement of Revenue and Expenditure " 3

HARMON

Balance
31 March

	1980	1979
ASSETS		
Current Assets		
Cash	$ 79,110	$ 35,090
Term deposits	600,000	375,000
Accounts receivable	43,095	41,569
Less: Allowance for doubtful accounts	24,259	18,139
	18,836	23,430
Accrued interest receivable	29,723	—
Current portion of mortgages receivable	33,998	28,130
Prepaid expense	4,123	4,140
Total current assets	765,790	465,790
Mortgages Receivable	344,504	378,752
Fixed Assets (Note 2)		
Contributed	58,435,130	60,959,974
Purchased	98,579	84,526
	58,533,709	61,044,500
Total assets	$59,644,003	$61,889,042

STATEMENT 1

CORPORATION

Sheet
1980

	1980	1979
LIABILITIES AND SURPLUS		
Current Liabilities		
Accounts payable	$ 15,245	$ 9,625
Contract holdback payable	3,810	—
Accrued payroll	6,976	4,799
Option deposits	5,800	10,451
Sundry payables	7,079	10,204
Total current liabilities	38,910	35,079
Surplus		
Contributed surplus		
Province of Newfoundland		
Buildings	58,435,130	60,959,974
Capital grants	34,474	34,474
	58,469,604	60,994,448
Retained earnings	1,135,489	859,515
	59,605,093	61,853,963
Total liabilities and surplus	$59,644,003	$61,889,042

See accompanying notes

Signed on behalf of the Harmon Corporation

JAMES COCHRANE — Chairman

DON POWELL — Member

STATEMENT 2

HARMON CORPORATION

Statement of Retained Earnings
For the year ended 31 March 1980

	1980	1979
Balance at beginning of the year — as previously reported	$ 859,515	$ 4,120
Prior period adjustment	—	247,713
As restated	859,515	251,833
Excess of revenue over expenditure	275,974	607,682
Balance at end of the year	$1,135,489	$859,515

See accompanying notes

STATEMENT 3

HARMON CORPORATION

Statement of Revenue and Expenditure
For the year ended 31 March 1980

	1980	1979
REVENUE		
Rents		
Rental of commercial properties	$373,718	$ 297,262
Sales		
Electricity	1,962	1,878
Heat	8,876	7,582
Contributed fixed assets	288,659	806,017
	299,497	815,477
Miscellaneous		
Municipal services	6,296	9,580
Interest income	109,590	39,411
General	27,668	2,473
	143,554	51,464
Total revenue	816,769	1,164,203
EXPENDITURE		
Administrative		
Travel	26,272	22,871
Salaries	91,289	88,775
Office expense	15,463	27,214
Advertising and promotion	17,549	35,868
Other	99,447	118,346
	250,020	293,074
Grant Town of Stephenville	25,00	—
	275,020	293,074
Protection to persons and property		
Police protection	6,969	5,702
Public works		
Maintenance of roads and grounds	41,294	36,060
Snow removal	10,332	12,984
Maintenance and operation of vehicles	9,146	7,545
Maintenance of fuel distribution system	429	934
Boiler water treatment	618	5,022
	61,819	62,545
Sanitation and waste removal	4,912	8,000
Loss on disposal of purchased assets	—	6,627
Provision for doubtful accounts	6,120	17,214
Buildings		
Maintenance and operation — commercial properties	179,710	153,892
Miscellaneous	448	4,383
Reimbursable	5,797	5,084
Total expenditure	540,795	556,521
Excess of revenue over expenditure	$275,974	$607,682

See accompanying notes

HARMON CORPORATION
Notes to Financial Statements
For the year ended 31 March 1980

1. **Accounting Policy**

Fixed assets

The fixed assets, which were transferred to the Province by the Government of Canada, are recorded at values obtained from information supplied by the original owners, the United States Air Force, and approved by the Corporation as at the date of its incorporation. The offsetting credit to record these fixed assets is included in the surplus account entitled "Contributed surplus." Subsequent additions to fixed assets are recorded at cost.

Fixed assets are not depreciated. Disposals of fixed assets are relieved from the accounts at cost. Profits and losses resulting from the sale of "purchased assets" and proceeds from the sale of "contributed assets" are reflected in the Statement of Revenue and Expenditure.

2. **Fixed assets**

	1980	1979
Land	$ 500	$ 500
Buildings	40,410,445	42,917,022
Water, sewerage and heating systems	1,983,575	2,004,575
Electrical light and power distribution	35,000	35,000
Airport facilities	8,448,292	8,440,160
Fuel storage and distribution facilities	5,565,077	5,565,077
Telephone system	1,381,098	1,381,098
Outdoor recreational facilities	20,564	20,564
Vehicles and other equipment	92,680	84,026
Streets, roads and improvements	596,478	596,478
Total fixed assets	$58,533,709	$61,044,500

For consideration of the transfer of fixed assets, the Province agreed to return to the Government of Canada any of the assets which may be required by the Government of Canada in connection with services it normally provides. At 31 March 1980 street and flood lighting, railway, airport and harbour and marine facilities which were carried in the Corporation's accounts at $32,856,331 had been transferred to the Government of Canada.

3. **Repairs and maintenance**

Expenditures for repairs and maintenance to buildings, incurred by the Department of Public Works and Services on behalf of Harmon Corporation, have not been recorded in the Corporation's financial statements. The amount of these expenditures was not available at audit date.

4. **Comparative figures**

Certain comparative figures have been reclassified to conform with the current year's presentation.

DEPARTMENT OF THE AUDITOR GENERAL

St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders
Hotel Buildings Limited
St. John's, Newfoundland

I have examined the balance sheet of Hotel Buildings Limited as at 31 March 1980 and the statements of revenue and expenditure and deficit for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances. I did not perform an audit of those accounts of the company which are maintained by Atlific (Nfld.) Limited, operator of the company's hotels, restaurants and bars. The relevant accounts maintained by the operator, are included herein based upon financial statements reported upon by other auditors.

Note 1 indicates that the company is not depreciating any of its fixed assets. In this respect the financial statements are not in accordance with generally accepted accounting principles. Those assets have been acquired during the last 15 years, and as explained in Notes 2 and 3, Atlific (Nfld.) Limited in 1966 was appointed the sole and exclusive operating manager of the hotels owned by the company, for a period of 25 years. At any time within this 25 year period, Atlific (Nfld.) Limited has the option to purchase the premises and all additions and extensions thereto at a price equal to the total cost of the project at the date of exercise of the option.

In my opinion, except for the effects of the failure to record depreciation as described in the preceding paragraph, these financial statements present fairly the financial position of the company as at 31 March 1980 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J. F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
16 September 1981

HOTEL BUILDINGS

Balance
31 March

ASSETS

	1980	1979
Current assets		
Cash	$ 242,592	$ 235,628
Accounts receivable - less allowance for doubtful accounts — 1980 $137,386 — 1979 $121,984	427,153	317,949
Inventory, at lower of cost or replacement cost	63,050	56,269
Prepaid expenses	122,523	87,961
	855,318	697,807
Investment in Bally Haly Golf and Country Club	200	200
Fixed assets - at cost, Schedule 1 (Note 6)	18,542,898	18,082,216
Deferred charges - plans and specifications	58,351	60,997
Organization expenses	264	264
Total assets	**$19,457,031**	**$18,841,484**

STATEMENT 1

LIMITED

Sheet
1980

		1980	1979
LIABILITIES LESS DEFICIT			
Current liabilities:			
Accounts payable and accrued liabilities		$ 595,149	$ 578,094
Due to Atlific (Nfld.) Limited - operator		285,682	124,701
Current portion of long-term liabilities ($450,000 U.S.)		525,825	527,107
		1,406,656	1,229,902
Newfoundland Industrial Development Corporation			
6 1/2% demand loan		2,698,682	3,263,166
Province of Newfoundland:			
Debenture interest paid pursuant to guarantee		6,525,111	6,156,764
Debenture principal redeemed pursuant to guarantee		4,700,338	4,173,231
Interest on advances of funds pursuant to guarantee		7,420,810	5,840,726
Non-interest bearing advances		580,175	580,175
		19,226,434	16,750,896
Long-term liabilities, Schedule 2 (Notes 4, 5 and 6)		4,353,947	4,837,719
Total liabilities		27,685,719	26,081,683
Suspense:			
Unrealized loss on foreign exchange		(42,053)	(43,336)
Share capital:			
Authorized:			
100 common shares of par value $1,000 each	$100,000		
Issued and fully paid:			
3 shares		3,000	3,000
Deficit, Statement 2		(8,189,635))	(7,199,863)
Total liabilities less deficit		$19,457,031	$18,841,484

See accompanying notes

Signed on behalf of the Board of Directors

GILBERT G. GILL
Director

PHILIP J. WALL
Director

STATEMENT 2

HOTEL BULDINGS LIMITED
Statement of Deficit
For the year ended 31 March 1980

	1980	1979
Deficit, beginning of year, as previously reported	$7,199,863	$1,628,243
Prior period adjustments	—	4,701,368
Deficit, as restated	7,199,863	6,329,611
Excess of expenditure over revenue	989,772	870,252
Deficit, end of year	$8,189,635	$7,199,863

See accompanying notes

STATEMENT 3

HOTEL BUILDINGS LIMITED

Statement of Revenue and Expenditure
For the year ended 31 March 1980

	1980	1979
REVENUE		
Departmental profits (losses):		
Rooms	$2,997,796	$2,512,116
Food and beverage	861,840	776,171
Telephone	(87,735)	(72,772)
Other	126,611	121,915
	3,898,512	3,337,430
Realized gain (loss) on foreign exchange	(43,336)	(35,528)
	3,855,176	3,301,902
EXPENDITURE		
Overhead expenses:		
Administrative and general	1,251,107	1,146,156
Advertising and business promotion	274,773	202,286
Heat, light and power	475,452	425,768
Maintenance and repairs	432,688	341,931
Insurance	35,533	53,190
Municipal taxes	247,462	239,351
Interest and financing charges	2,127,933	1,763,472
	4,844,948	4,172,154
Excess of expenditure over revenue	$ 989,772	$ 870,252

See accompanying notes

SCHEDULE 1

HOTEL BUILDINGS LIMITED
Fixed Assets
31 March 1980

	1980	1979
Fixed assets, at cost:		
St. John's —		
Land	$ 260,940	$ 260,940
Building	5,694,079	5,623,587
Equipment and furniture	1,351,496	1,149,105
	7,306,515	7,033,632
Clarenville —		
Land	36,510	36,510
Building	2,496,451	2,494,148
Equipment and furniture	452,570	436,033
	2,985,531	2,966,691
Gander —		
Land	24,280	24,280
Building	2,458,427	2,433,416
Equipment and furniture	437,252	421,345
	2,919,959	2,879,041
Corner Brook —		
Land	273,386	273,386
Building	3,514,732	3,482,579
Equipment and furniture	748,289	694,399
	4,536,407	4,450,364
Hotel Port aux Basques —		
Land	19,500	19,500
Building	631,701	623,696
Equipment and furniture	143,285	109,292
	794,486	752,488
Total	$18,542,898	$18,082,216

See accompanying notes

SCHEDULE 2

HOTEL BUILDINGS LIMITED
Long-Term Liabilities
31 March 1980

		1980	1979
6 1/2% Guaranteed debentures dated 18 August 1966 and 17 January 1967, maturing 31 December 1989, fully guaranteed by the Province of Newfoundland —			
Issued ($9,000,000 U.S.)		$9,675,438	$9,675,438
Redeemed ($4,500,000 U.S.)	$4,837,719		
Current portion of long-term debt ($450,000 U.S.)	483,772	5,321,491	4,837,719
Outstanding ($4,050,000 U.S.)		$4,353,947	$4,837,719

See accompanying notes

HOTEL BUILDINGS LIMITED
Notes to Financial Statements
For the year ended 31 March 1980

1. **Summary of accounting policies**

   (a) **Fixed assets**

   No provision for depreciation of fixed assets has been charged in the accounts of the Company.

   (b) **Foreign exchange**

   Conversion of U.S. dollars to Canadian dollars was made at the appropriate rates prevailing when the debenture debt was incurred. The instalment of long-term debt payable within one year is converted to Canadian at the rate of exchange in effect on the date of payment. The difference between the original carrying value of the instalment and the estimated amount is shown as a Suspense Account in the balance sheet.

   (c) **Income taxes**

   The Company is a Crown Corporation, and, therefore, is not subject to either Provincial or Federal Income Taxes.

2. Under an indenture dated 29 September 1966, Atlific (Nfld.) Limited, the operator of the hotels, was granted options: (a) to purchase the shares of the Company or (b) to purchase the premises and all additions and extensions thereto. These options are exercisable within a period of twenty-five years and in either event the payment is to be the total cost of the project at the date of exercise of the option.

3. Under an agreement dated 29 September 1966, Atlific (Nfld.) Limited was appointed the sole and exclusive operating manager of the hotels owned by the Company, for a period of twenty-five years.

4. On 30 June and 31 December in each year, the Company is required to apply to the prepayment of the debenture without premiums, an amount equal to 2 1/2% of the aggregate principal amount of the debentures issued. The prepayment commenced 30 June 1970 and will end 31 December 1989.

5. The balance of long-term liabilities outstanding, $4,050,000 U.S., converted to Canadian at the rate of exchange prevailing on 31 March 1980, equals $4,799,250. This is $445,303 more than the carrying value of the debt as stated in the balance sheet.

6. The fixed assets have been pledged as security for the long-term liabilities.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Chairman and Members of
The Livestock Owners Compensation Board

I have examined the balance sheet of The Livestock Owners Compensation Board as at 31 March 1980 and the statement of revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at 31 March 1980 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General.

St. John's, Newfoundland
29 April 1981

THE LIVESTOCK OWNERS COMPENSATION BOARD

Balance Sheet

31 March 1980

	1980	1979
ASSETS		
Cash	$20,202	$14,284
Total assets	$20,202	$14,284
LIABILITIES		
Province of Newfoundland — Deferred operating advances	$20,202	$13,477
Prepaid premiums	—	807
Total liabilities	$20,202	$14,284

Signed on behalf of the Board

MARTIN P. HOWLETT
Chairman

MICHAEL STAPLETON
Member

THE LIVESTOCK OWNERS COMPENSATION BOARD

Statement of Revenue and Expenditure
For the year ended 31 March 1980

REVENUE	1980	1979
Premiums from livestock owners	$1,440	$1,146
Province of Newfoundland — For cost of claims	3,274	6,434
Total revenue	$4,714	$7,580
EXPENDITURE		
Indemnities paid	$4,714	$7,580
Total expenditure	$4,714	$7,580

NOTE

The Board does not have any full-time staff but is administered mainly by employees of the Department of Rural, Agricultural and Northern Development. The province, represented by that department, is responsible for the costs of administration of the Board. These costs which are paid directly by the province on behalf of the Board are not reflected in these statements.

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AUDITORS' REPORT

To the Shareholders of
Marystown Shipyard Limited

We have examined the balance sheet of Marystown Shipyard Limited as at March 29, 1980 and the statements of income and deficit and changes in financial position for the fifty-two weeks then ended, and have obtained all the information and explanations we have required. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements are properly drawn up so as to exhibit a true and correct view of the financial position of the company as at March 29, 1980 and the results of its operations and the changes in its financial position for the fifty-two weeks then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

H.R. DOANE AND COMPANY
Chartered Accountants

Marystown, Newfoundland
June 6, 1980

MARYSTOWN

Balance
March 29,

	1980	1979
ASSETS		
Current		
Cash	$	$ 266,743
Receivables (Note 2)	1,864,211	4,808,857
Unbilled contract revenue	10,667,255	250,604
Inventories, at the lower of cost and net realizable value	2,404,154	2,052,898
Prepaid expenses	223,930	262,484
	15,159,550	7,641,586
Land, buildings, wharves and equipment (Note 3)	13,103,043	12,884,159
	$28,262,593	$20,525,745

SHIPYARD LIMITED

Sheet
1980

LIABILITIES	**1980**	**1979**
Current		
Bank indebtedness (Note 4)	$ 5,379,102	$
Payables and accruals		
Trade	16,464,258	6,761,135
Long-term debt payable within one year	2,035,300	2,035,300
Advance billings on contracts		3,780,744
Accrual for estimated loss on uncompleted portion of shipbuilding contract	3,605,765	1,777,272
	27,484,425	14,354,451
Long term (Note 5)	5,000,000	5,000,000
	32,484,425	19,354,451
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Capital stock (Note 6)	15,314,000	15,314,000
Deficit	(19,535,832)	(14,142,706)
	(4,221,832)	1,171,294
	$28,262,593	$20,525,745

On behalf of the Board:

T. WHELAN Director

ALAN BRENTON Director

MARYSTOWN SHIPYARD LIMITED

Statement of Income and Deficit
Fifty-Two Weeks ended March 29, 1980

	1980	1979
Revenue	$35,744,386	$25,223,542
Production costs		
Direct	36,682,792	27,931,824
Overhead	4,766,678	3,971,968
Increase (decrease) in provision for estimated loss on uncompleted portion of shipbuilding contract	1,828,493	(1,122,728)
	43,277,963	30,781,064
Operating loss before interest	7,533,577	5,557,522
Interest	339,018	1,007,096
Interest on long term debt	1,020,531	276,127
	1,359,549	1,283,223
Operating loss	8,893,126	6,840,745
Operating grant - Government of Newfoundland and Labrador	3,500,000	8,000,000
Net loss (income)	5,393,126	(1,159,255)
Deficit, beginning of year	14,142,706	15,301,961
Deficit, end of year	$19,535,832	$14,142,706

MARYSTOWN SHIPYARD LIMITED
Statement of Changes in Financial Position
Fifty-Two Weeks ended March 29, 1980

	1980	1979
Source		
Operating grant - Government of Newfoundland and Labrador	$3,500,000	$ 8,000,000
Long term debt		5,000,000
Government grants		
Department of Regional Economic Expansion		7,055
Shipyard Improvement Assistance Program		25,120
	3,500,000	13,032,175
Application		
Operations		
Operating loss	8,893,126	6,840,745
Depreciation	(333,883)	(312,605)
	8,559,243	6,528,140
Purchase of		
Paving	4,250	
Building additions	209,324	7,104
Equipment	94,862	218,682
Computer	244,331	
	9,112,010	6,753,926
Decrease (increase) in working capital	5,612,010	(6,278,249)
Working capital deficiency, beginning of year	6,712,865	12,991,114
Working capital deficiency, end of year	$12,324,875	$ 6,712,865

MARYSTOWN SHIPYARD LIMITED

Notes to Financial Statements
March 29, 1980

1. **Accounting Policies**

(a) **Income recognition**

Revenues from contracts are recognized on the percentage-of-completion method. Under this method, the percentage of completion is determined by relating the actual production costs incurred to date (on a component basis) to the current estimated total production costs for each contract. However, until progress on a contract reaches a point where management can determine with reasonable accuracy the estimated final results, revenues are recognized only to the extent of costs incurred. The performance of such contracts may extend over several years; therefore periodic reviews of estimated final revenues and costs are necessary during the term of the contracts. Final contract settlements and periodic reviews may result in revisions to estimated final contract profits or losses which have the effect of including cumulative adjustments of income in the period the revisions are made. Anticipated losses on uncompleted contracts are provided for in full in the period in which the losses become evident.

(b) **Production costs**

Commencing April 1, 1979, the cost components charged to contracts are direct labour, direct materials, financing costs and overhead expenses except interest. Direct materials are charged to production costs at the point purchases are committed.

In prior years it was the policy of the Company to charge overhead expenses to contract production costs on the basis of 100% of direct labour costs. The change in the method of accounting for overhead expenses has not had a material effect on the operating results of the company for the fiscal period ended March 29, 1980.

(c)) **Depreciation**

Depreciation is recorded on a straight-line basis over the estimated useful life of the assets. The estimated useful life of each major class of assets is as follows:

Buildings	50 years
Wharves	50 years
Equipment	10-50 years

(d) **Foreign currency translation**

Current assets and current liabilities are translated into Canadian dollars at the current rate of exchange at March 29.

Revenues and expenses are translated into Canadian dollars at exchange rates in effect during the year.

2. **Receivables**

	1980	1979
Trade (less allowance for doubtful accounts $95,855; 1979 $100,000)	$1,424,048	$ 866,478
Progess billings on contracts	440,163	3,866,509
Department of Regional Economic Expansion		75,870
	$1,864,211	$4,808,857

3. **Land, bulidings, wharves and equipment**

	1980			1979
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	$ 110,150	$	$ 110,150	$ 105,900
Buildings	6,188,318	1,232,146	4,956,172	4,846,765
Wharves	5,712,749	1,236,887	4,475,862	4,580,341
Equipment	4,528,563	1,212,035	3,316,528	3,351,153
Computer	244,331		244,331	
	$16,784,111	$3,681,068	$13,103,043	$12,884,159

4. **Bank indebtedness**

Bank overdraft	$ 579,102
Demand loan	4,800,000
	$5,379,102

The demand loan is at prime rate of interest and is secured by the following:

(a) General assignment of book debts.
(b) Assignment of inventories limited to $4,000,000.
(c) Deficiency guarantee of the Province of Newfoundland and Labrador in the amount of $4,000,000.

5. **Long-term debt**

	1980	1979
Bank of Montreal, demand loan in U.S. funds ($6,000,000) at prime plus 1/4, with arrangements for a payment of $2,035,300 in 1980. The remainder is to be repaid over a period of not less than five years and not more than eight years, commencing June 30, 1981	$7,035,300	$7,035,300
Principal instalments payable within one year	2,035,300	2,035,300
	$5,000,000	$5,000,000

The loan which is payable in U.S. funds has been converted to Canadian dollars at the historical rate of exchange. At the year end rate of exchange, this debt would be $7,170,000. The U.S. funds required to repay the loan will be available from construction progress payments.

The loan is secured by the guarantee of the Province of Newfoundland and Labrador to an amount not exceeding $6,000,000 in U.S. funds or an equivalent amount of Canadian funds.

6. **Capital stock**

	1980	1979
Authorized		
16,000 6% non-cumulative redeemable non-voting preference shares with par value of $100 each		
100 common shares with par value of $1,000 each		
Issued and outstanding		
15,311 preference shares	$15,311,000	$15,311,000
3 common shares	3,000	3,000
	$15,314,000	$15,314,000

7. **Comparative figures**

The comparative figures for 1979 have been reclassified to conform with the financial statement presentation adopted for 1980.

MARYSTOWN SHIPYARD LIMITED
Overhead Expenses
Fifty-Two Weeks ended March 29, 1980

	1980	1979
Administration	$ 524,351	$ 527,309
Depreciation	333,883	312,605
Doubtful accounts		90,752
Heat	121,155	107,611
Insurance	234,803	202,144
Maintenance	961,522	869,608
Power	163,038	143,540
Security	128,171	113,769
Salaries and benefits	1,744,085	1,140,920
Shop supplies	555,670	463,710
	$4,766,678	$3,971,968

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders
Memorial University of Newfoundland
Building Corporation Limited

I have examined the balance sheet of the Memorial University of Newfoundland Building Corporation Limited as at 31 March 1980 and the statement of revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Memorial University of Newfoundland Building Corporation Limited as at 31 March 1980 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's
11 September 1981

MEMORIAL UNIVERSITY OF NEWFOUNDLAND

Balance
31 March

ASSETS

	1980	1979
Current assets:		
Prepaid expenses	$ 1,744	$ 3,562
Fixed assets, at cost (Note 4)		
Land and improvements	369,843	369,843
Buildings	13,274,109	13,274,109
	13,643,952	13,643,952
Less: Government grant in aid of construction	2,800,914	2,800,914
	10,843,038	10,843,038
Organization expenses	579	579
Debt service fund:		
Cash held by the trustee	361,235	362,537
	$11,206,596	$11,209,716

BUILDING CORPORATION LIMITED

Sheet
1980

LIABILITIES

		1980	1979
Current liabilities:			
Deferred revenue - per contra		$ 1,744	$ 3,562
Long-term debt due within one year		579,277	544,404
		581,021	547,966
Long-term liability: (Notes 2, 3 and 4)			
6 1/4% First Mortgage Bonds, dated 1 November 1959, maturing serially 1 May and 1 November 1969-86		3,891,223	4,470,500
Foreign exchange adjustment account		116,025	116,025
		4,588,269	5,134,491

SHAREHOLDERS' EQUITY

		1980	1979
Share capital			
Authorized			
500 common shars of par value of $1,000 each	$500,000		
Issued and fully paid			
72 shares		72,000	72,000
Capital contributions			
Repayment of long-term debt by Province of Newfoundland		6,185,092	5,640,688
Debt service fund		361,235	362,537
		$11,206,596	$11,209,716

See accompanying notes

Signed on behalf of the Board of Directors

D.G. NORRIS
Director

GILBERT G. GILL
Director

MEMORIAL UNIVERSITY OF NEWFOUNDLAND BUILDING CORPORATION LIMITED

Statement of Revenue and Expenditure
For the year ended 31 March 1980

		1980	1979
REVENUE			
Province of Newfoundland:			
Rental of buildings		$1,034,598	$1,036,332
EXPENDITURE			
Debt charges:			
Payment to trustee for bondholders on account of principal and interest on First Mortgage Bonds:			
Principal	$575,333		
Interest	300,271		
	$875,604 U.S.	$1,017,910	$1,010,772
Trustee's fees and sundry		4,408	3,887
Fire insurance premium		12,280	21,673
		$1,034,598	$1,036,332

See accompanying notes

MEMORIAL UNIVERSITY OF NEWFOUNDLAND BUILDING CORPORATION LIMITED

Notes to the Financial Statements
For the year ended 31 March 1980

1. Accounting policies:

   (a) Fixed assets

   Fixed assets are not being depreciated but payments of principal and interest on long-term debt are expensed in the financial statements.

   Certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholders and which were paid for by the Lessee, are not included in these financial statements.

   (b) Rental revenue

   The rental revenue received from the Province is equal to the annual amount required to be paid on account of principal and interest, and other expenses. Thus, deferred revenue equals prepaid expenses of the Corporation.

2. The 6 1/4% First Mortgage Bonds are stated in Canadian Dollars at the net realization amount at the time of issue. At 31 March 1980 the Canadian equivalent of the outstanding principal amount of $4,615,000 U.S., translated at current exchange rates, was $5,494,619.

3. Principal payments coming due on the 6 1/4% First Mortgage Bonds from 1980-81 to 1984-85 are $598,000; $633,000; $674,000; $717,000; and $762,000 respectively. These payments are in U.S. dollars.

4. Fixed assets have been pledged as security for the long-term debt.

5. Comparative figures

   Certain comparative figures have been reclassified to conform with the current year's financial statement presentation.

Department of Finance
MOTOR VEHICLE ACCIDENT SECURITY ACCOUNT
Statement of Receipts and Disbursements
For the year ended 31 March 1980

	1980	1979
Bank balance, beginning of year	$3,403	$4,948
Receipts:		
Security for accidents	600	500
	4,003	5,448
Disbursements:		
On account of depositors	2,196	2,045
Bank balance, end of year	$1,807	$3,403

Signed on behalf of the Motor Vehicle Accident Security Account

D.G. NORRIS
Comptroller and Deputy Minister of Finance

AUDITOR'S REPORT

I have examined the above statement of receipts and disbursements of the Motor Vehicle Accident Security Account for the year ended 31 March 1980. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, this financial statement presents fairly the receipts and disbursements of the account for the year ended 31 March 1980 prepared on a cash basis of accounting consistent with that of the preceding year.

R.E. GRUCHY, C.A.,
for J.E. RICHARDS,
Deputy Auditor General.

St. John's, Newfoundland
10 February 1981

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders
Newfoundland and Labrador
Computer Services Limited
St. John's, Newfoundland

I have examined the balance sheet of Newfoundland and Labrador Computer Services Limited as at 31 March 1980 and the statements of income and retained earnings and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the company as at 31 March 1980 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

D.E. HOWLEY, C.A.
Auditor General

St. John's, Newfoundland
21 May 1980

NEWFOUNDLAND AND
SERVICES

Balance
31 March

	1980	1979
ASSETS		
Current assets:		
Accounts receivable (Note 2)	$1,394,007	$ 961,987
Prepaid expenses and supplies	99,076	120,507
Total curent assets	1,493,083	1,082,494
Fixed assets (Note 3)	3,938,268	4,699,827
Deferred charges and other assets, at cost	286,920	223,373
Less: Accumulated amortization	193,668	122,088
	93,252	101,285
Total assets	$5,524,603	$5,883,606

STATEMENT 1

LABRADOR COMPUTER LIMITED

Sheet
1980

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:	1980	1979
Bank indebtedness (Note 2)	$ 475,280	$ 345,746
Accounts payable and accrued liabilities	310,582	312,532
Contract holdback payable	—	1,858
Deferred revenue	—	7,961
Current portion of long-term debt	589,094	554,500
Total current liabilities	1,374,956	1,222,597
Long-term debt, less current portion (Note 4)	3,499,294	4,067,018
Shareholders' equity:		
Share capital		
Common shares of par value of $100 each, authorized 100 shares; issued and fully paid 3 shares	300	300
Retained earnings:	650,053	593,691
	650,353	593,991
Total liabilities and shareholders' equity	$5,524,603	$5,883,606

See accompanying notes

Signed on behalf of the Board:

D.W. Mercer, Chairman

H.S. Miller, President

STATEMENT 2

NEWFOUNDLAND AND LABRADOR COMPUTER SERVICES LIMITED

Statement of Income and Retained Earnings
For the year ended 31 March 1980

	1980	1979
Operating revenue (Schedule 1)	$6,244,140	$5,591,727
Operating expenses (Schedule 1)	4,588,791	4,193,516
Operating income	1,655,349	1,398,211
Loss (gain) on disposal of fixed assets	—	(900)
Other charges - depreciation	863,371	752,870
- amortization	71,580	71,705
- interest	664,036	556,173
	1,598,987	1,380,748
Net income for the year	56,362	18,363
Retained earnings, beginning of year		
As previously reported	593,691	589,052
Adjustment of prior years' interest	—	13,724
As restated	593,691	575,328
Retained earnings, end of year	$ 650,053	$ 593,691

See accompanying notes.

STATEMENT 3

NEWFOUNDLAND AND LABRADOR COMPUTER SERVICES LIMITED

Statement of Changes in Financial Position
For the year ended 31 March 1980

	1980	1979
Funds provided:		
Net income for the year	$ 56,362	$ 18,363
Add (deduct) items not resulting in an inflow or outflow of funds:		
Depreciation	863,371	752,870
Amortization	71,580	71,705
Loss (gain) on disposal of fixed assets	—	(900)
Adjustment of prior years' depreciation	—	87,615
Funds from operations	991,313	929,653
Proceeds on disposal of fixed assets	—	900
Proceeds on issue of long-term debt	—	673,260
Total funds provided	991,313	1,603,813
Funds applied:		
Additions to fixed assets	101,812	728,578
Increase in deferred charges and other assets	63,547	98,576
Reduction of long-term debt	567,724	732,529
Total funds applied	733,083	1,559,683
Increase in working capital	258,230	44,130
Working capital (deficiency) - beginning of year	(140,103)	(184,233)
Working capital (deficiency) - end of year	$118,127	$(140,103)
Represented by:		
Current assets	$1,493,083	$1,082,494
Current liabilities	1,374,956	1,222,597
	$ 118,127	$ (140,103)

See accompanying notes

SCHEDULE 1

NEWFOUNDLAND AND LABRADOR COMPUTER SERVICES LIMITED

Schedule of Revenue and Operating Expenses
For the year ended 31 March 1980

	1980	1979
REVENUE		
Computer time	$3,518,918	$3,110,578
Systems and programming	1,579,533	1,345,789
Data preparation	393,322	417,573
Production control and file charges	396,902	354,260
Other	355,465	363,527
	$6,244,140	$5,591,727
OPERATING EXPENSES		
Salaries	$3,247,056	$2,801,868
Fringe benefits	244,479	207,697
Rent - computer equipment	390,053	481,452
Data processing operating supplies	169,802	141,690
Stationery and office supplies	51,726	46,907
Moving and delivery charges	8,633	7,128
Repairs and maintenance	214,804	178,535
Travelling	31,344	28,306
Telephone and telegrams	47,838	45,760
Light and power	54,364	55,142
Staff training	17,061	25,400
Insurance	19,731	20,165
Advertising and publicity	8,089	8,783
Membership and subscriptions	8,920	7,847
General	49,739	47,396
Adjustment of prior years' depreciation	—	87,615
Professional fees	25,152	1,825
	$4,588,791	$4,193,516

See accompanying notes

NEWFOUNDLAND AND LABRADOR COMPUTER SERVICES LIMITED

Notes to Financial Statements
For the year ended 31 March 1980

1. **Accounting policies**

(a) **Fixed assets**

All fixed assets are capitalized at cost at the time of acquisition. Depreciation is calculated by the straight-line method based on the expected future life of all assets as follows:

Computer Equipment	36 to 62 months
Office furniture and equipment	36 to 120 months
Building	240 months
Automotive equipment	36 months

(b) **Deferred charges and other assets**

All deferred charges and other assets are capitalized at cost at the time of acquisition. Amortization is calculated by the straight-line method over a 36 month period with the exception of employee relocation expenses which are amortized over a 20 month period beginning 4 months after commencement of employment.

(c) **Allowance of doubtful accounts**

Due to the financial relationship between the Province of Newfoundland and the Corporation there will not be material bad debt losses, and therefore, no allowance for doubtful accounts has been provided for in these financial statements.

(d) **Income taxes**

This Corporation is a Crown Corporation and, therefore, is not subject to either Provincial or Federal income taxes.

2. A current operating loan of $200,000 is secured by a general assignment of accounts receivable.

3. **Fixed assets**

	Cost	Accumulated Depreciation	Net Book Value 1980	Net Book Value 1979
Computer equipment	$2,997,288	$1,814,613	$1,182,675	$1,805,088
Office furniture and equipment	778,311	288,807	489,504	506,883
Building	2,610,546	346,918	2,263,628	2,381,955
Automotive equipment	12,321	9,860	2,461	5,901
	$6,398,466	$2,460,198	$3,938,268	$4,699,827

4. **Long-term debt, less current portion**

	Interest Rate	Year Of Maturity	Balance 1980	1979
Bank of Montreal Loans				
Computer 370/158				
5.5. megabytes core	Prime + 1%	1983 (a)	$ 711,538 (b)	$1,054,324
Microfiche unit	Prime + 1%	1983 (a)	70,402 (b)	105,101
Building	Prime + 1%	1983 (a)	30,174 (b)	65,731
Furniture	Prime + 1%	1997 (a)	2,500,108 (c)	2,514,435
	Prime + 1%	1987 (a)	117,000 (c)	135,000
I.B.M. Canada Limited				
Optical character reader	12 1/4%	1981	18,104 (d)	51,435
Peripheral equipment	12 3/4%	1982	51,968 (d)	132,593
Terminals	12 3/4%	1981	—	8,399
			$3,499,294	$4,067,018

(a) This bank indebtedness is repayable in blended monthly instalments and is estimated to mature as noted above.

(b) Secured by a chattel mortgage.

(c) Secured by a letter of undertaking from the Province of Newfoundland to the effect that the Province will ensure that sufficient funds will be available to the Corporation to meet its debt charges on these loans.

(d) Title to these assets remains with I.B.M. Canada Limited until these instalment loans are fully paid.

It is estimated that principal repayments of long-term debt over the next five years will be as follows:

Year ending 31 March 1981	$589,094
1982	614,500
1983	364,700
1984	58,500
1985	66,200

AUDITORS' REPORT

To The Shareholders of
Newfoundland and Labrador Development Corporation Limited

We have examined the balance sheet of Newfoundland and Labrador Develoment Corporation Limited as at 31st March 1980 and the statements of revenue and expenses and changes in loan and equity investments for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at 31st March 1980 and the results of its operations and the changes in its loan and equity investments for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceeding year.

BAIRD & BAIRD
Chartered Accountants

St. John's, Newfoundland
30th May 1980

NEWFOUNDLAND AND
CORPORATION

Balance
As at 31st March

Assets	1980	1979
Loan and Equity Investments (note 2)	15,119,291	12,441,538
Cash and Short-Term Deposits	4,491,657	3,801,487
Accounts Receivable		
Government of Canada	26,856	68,823
Province of Newfoundland	261,113	687,321
Interest (note 3)	550,826	477,675
Other	48,342	10,001
Loan and Equity Investment Allowance Recoverable	1,290,867	1,859,515
	$21,788,952	19,346,360

LABRADOR DEVELOPMENT LIMITED

Sheet
1980

Liabilities	1980	1979
Accounts Payable	88,452	145,860
Long-Term Liabilities (note 4)	21,700,000	19,200,000
	21,788,452	19,345,860
Shareholders' Equity		
Capital Stock		
Authorized -		
500 common shares of $1 each		
Issued and fully paid -		
500 common shares	500	500
	$ 21,788,952	19,346,360

Signed On Behalf Of The Board

P.J. DUGGAN Director

G.B. FOOTE Director

NEWFOUNDLAND AND LABRADOR DEVELOPMENT CORPORATION LIMITED

Statement of Revenue and Expenses
For the year ended 31st March 1980

	1980	1979
Operating Grants (note 6)		
Government of Canada	542,204	672,756
Province of Newfoundland	542,204	672,756
	1,084,408	1,345,512
Investment Income		
Interest Earned		
Loans	1,541,489	1,102,876
Short-term investments	537,064	294,204
Other	2,914	1,004
	2,081,467	1,398,084
Dividends	28,868	26,495
	2,110,335	1,424,579
Total Revenue	3,194,743	2,770,091
Other Expenses		
Bad debts	627,508	726,733
Interest	1,685,934	1,141,307
	2,313,442	1,868,040
Net Income Before Operating Expenses	881,301	902,051
Operating Expenses		
Advertising and promotion	13,227	28,887
Asset acquisitions		
Office furniture and equipment	(428)	5,718
Vehicles	(1,834)	5,701
General and office	22,299	26,671
Library	9,416	9,589
Office premises and equipment	108,156	111,129
Other	8,864	8,890
Outside services	20,270	41,722
Professional fees	6,000	6,500
Publications	17,502	12,662
Salaries and benefits	580,816	536,890
Telephone and telex	36,358	37,537
Travel	51,209	57,654
Vehicle operation	9,446	12,501
	881,301	902,051
Net Income	$ —	—

NEWFOUNDLAND AND LABRADOR DEVELOPMENT CORPORATION LIMITED

Notes To Financial Statements

For the year ended 31st March 1980

1. **Accounting Policies**

Loan and Equity Investments
Investments in loans and shares are recorded at cost. A provision, based on an analysis of specific accounts, is made for estimated doubtful accounts and decline in the net relizable value of equity investments.

Loan and Equity Investment Allowances Recoverable
The amounts provided for doubtful accounts and decline in net realizable value are shown as a joint recoverable from the Government of Canada and the Province of Newfoundland, and will be reimbursed if and when they are written off.

Operating Grants
Operating expenses and bad debts written off are reimbursed jointly by the Government of Canada and the Province of Newfoundland.

Fixed Assets
Fixed assets are expensed in the year of purchase. Proceeds from disposal are credited to this account in the year of sale.

	1980	1979
Purchases were as follows:		
Furniture and equipment	1,409	5,718
Vehicles	6,267	5,701
	7,676	11,419
Disposals were as follows:		
Furniture and equipment	1,837	
Vehicles	8,101	
	9,938	
Net Increase (Decrease)	$ (2,262)	11,419

2. **Loan and Equity Investments**

	1980	1979
Long term investments consist of the folowing:		
Loans receivable	15,338,103	13,001,379
Allowance for doubtful accounts	1,059,812	1,208,641
	14,278,291	11,792,738
Equity investments		
Common shares	—	36,800
Preferred shares	908,300	1,033,300
	908,300	1,070,100
Allowance for decline in net realizable value	67,300	421,300
	841,000	648,800
	$ 15,119,291	12,441,538

3. **Interest Receivable**

	1980	1979
Interest receivable	714,581	707,248
Allowance for doubtful accounts	(163,755)	(229,573)
	$ 550,826	477,675

4. Long-Term Debt

The Government of Canada provides funds for the purpose of making loans, and the Province of Newfoundland for equity investments.

Government of Canada

Interest Rate %	Maturity Date	1980	1979
8.375	17th June 1987	2,000,000	2,000,000
8.375	13th April 1987	1,500,000	1,500,000
9.250	21st October 1988	10,000,000	10,000,000
9.250	28th December 1988	1,000,000	1,000,000
10.125	26th March 1989	1,000,000	1,000,000
10.125	29th March 1989	2,000,000	2,000,000
10.000	27th September 1989	1,000,000	—
11.875	24th January 1990	1,000,000	—
11.875	30th March 1990	500,000	—
		20,000,000	17,500,000
Province of Newfoundland			
Non-interest bearing loan with no fixed terms of repayment or maturity date		1,700,000	1,700,000
		$ 21,700,000	19,200,000

5. Commitments

As at 31st March 1980, the Corporation has outstanding commitments in respect of approved undisbursed loans of $3,490,364 and equity investments of $5,000.

6. Operating Grants

The operating grants consist of the following:

	1980	1979
Government of Canada claims	826,528	966,725
Province of Newfoundland claims	826,528	966,725
	1,653,056	1,933,450
Less - Bad debts written off	1,196,156	1,316,153
Bad debts expense	(627,508)	(726,733)
Recovery of prior year's bad debts written off	—	(1,482)
	568,648	587,938
	$ 1,084,408	1,345,512

7. Leases

The corporation has leased premises until 31st October 1982 at an annual rental, subject to escalation clauses, of $118,000.

NEWFOUNDLAND AND LABRADOR DEVELOPMENT CORPORATION LIMITED

Statement of changes in Loan and Equity Investments

For the year ended 31st March 1980

	1980	1979
Changes In Loan and Equity Investments		
Loans advanced to clients	4,466,617	5,438,336
Purchase of equity investments	210,000	81,041
	4,676,617	5,519,377
Loan repayments	1,507,403	1,326,943
Provision for losses on loans	473,661	189,217
Disposal of equity investments	17,800	44,841
Provision for losses on equity investments	—	62,000
	1,998,864	1,623,001
Net Additions In Investments	$ 2,677,753	3,896,376
Financed By		
Government of Canada loans	2,500,000	4,000,000
Reimbursements from government for bad debts written off	1,196,156	1,316,153
Net change in other assets and liabilities	299,276	192,260
	3,995,432	5,508,413
Increase in cash and short-term deposits	690,170	883,822
Increase in loan and equity investments recoverable	627,509	728,215
	1,317,679	1,612,037
	$ 2,677,753	3,896,376

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Chairman and Members of
the Newfoundland and Labrador
Housing Corporation

I have examined the balance sheet of the Newfoundland and Labrador Housing Corporation as at 31 March 1979 and the statements of operations and changes in financial position for the year then ended. My examination was made in accordance with generaly accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at 31 March 1979 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

D.E. HOWLEY, C.A.
Auditor General.

St. John's, Newfoundland
14 March 1980

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION

Index to the Financial Statements

31 March 1979

Balance Sheet Statement 1
Statement of Operations " 2
Statement of Changes in Financial Position " 3

NEWFOUNDLAND HOUSING

Balance
31 March

	1979 000's	1978 000's
ASSETS		
Cash	$ 220	$ 379
Accounts receivable (Note 2)	4,948	6,993
Province of Newfoundland (Note 3)	4,021	(1,516)
Mortgages and loans receivable	49,156	42,564
Land assemblies	25,904	24,194
Rental housing properties (Note 4)	74,827	70,977
Total assets	$159,076	$143,591

STATEMENT 1

AND LABRADOR CORPORATION

Sheet
1979

LIABILITIES	1979 000's	1978 000's
Bank loan and overdraft	$ 7,288	$ 3,000
Accounts payable	850	1,506
Holdbacks and security deposits payable	772	1,662
Mortgages, debentures and similar indebtedness (Note 5)	87,089	79,744
Total liabilities	95,999	85,912
EQUITY		
Province of Newfoundland		
Transfer of assets	15,832	16,360
Capital contributions	47,245	41,319
Total equity	63,077	57,679
Total liabilities and equity	$159,076	$143,591

See accompanying notes

Signed on behalf of the Corporation

P.G. WITHERS
Chairman

GAIL GRAHAM
Member

STATEMENT 2

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION

Statement of Operations
For the year ended 31 March 1979

	1979 000's	1978 000's
REVENUE		
Interest	$ 7,195	$ 5,473
Rent	4,201	3,975
Canada Mortgage and Housing Corporation contribution to cost-shared programmes	6,383	4,508
Administration charges to capital projects and rental units operating	1,933	1,624
Other income	100	97
	19,812	15,677
Grant - Province of Newfoundland (Note 3)	1,715	1,596
	$21,527	$17,273
EXPENDITURE		
Administration (Note 6)	$ 4,169	$ 3,118
Rental unit expenses (Note 7)	8,807	8,047
Housing Authority losses	3,195	2,932
Interest expense	3,416	2,378
Mortgage subsidies	605	380
Rent supplement subsidies	497	264
Bad debt expense - mortgages	627	—
Loss of disposal of fixed assets	211	154
	$21,527	$17,273

See accompanying notes

STATEMENT 3

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION

Statement of Changes in Financial Position
For the year ended 31 March 1979

	1979 000's	1978 000's
Financial resources were provided by:		
Bank loan and overdraft	$ 4,288	$ 3,000
Capital investment by Canada Mortgage and Housing Corporation in Mortgage Lending Programme	5,866	7,545
Capital investment by the Province of Newfoundland	5,926	1,874
Mortgages and debentures payable	2,213	8,575
Accounts receivable	2,045	(2,092)
	20,338	18,902
Financial resources were used for:		
Accounts payable	1,547	541
Province of Newfoundland	5,537	526
Mortgages and loans receivable	6,591	8,333
Rental housing projects	5,112	8,189
Land assembly projects	1,710	4,018
	20,497	21,607
Decrease in cash during year	159	2,705
Cash on hand, beginning of year	379	3,084
Cash on hand, end of year	$ 220	$ 379

See accompanying notes

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION

Notes to the Financial Statements

31 March 1979

1. Accounting policies

(a) The Corporation's accounting policies are primarily in accordance with the recommendations of the Canadian Institute of Chartered Accountants which are substantially in accordance with the recommendations of the Canadian Institute of Public Real Estate Companies.

(b) Furniture and equipment purchases are expensed in the year of acquisition.

(c) Capitalization of costs
Carrying charges, consisting principally of interest including imputed interest on the Corporation's equity and administrative charges attributable to properties under development, are capitalized as part of the cost thereof.

(d) Investment in land assemblies is valued at cost, less proceeds from sales, DREE grants, and Canada Mortgage and Housing Corporation's 75% share where applicable.

(e) Investment in rental housing is valued at cost, less accumulated depreciation and Canada Mortgage and Housing Corporation's 75% share where applicable.

2. Accounts receivable

	1979 000's	1978 000's
Canada Mortgage and Housing Corporation	$4,210	$ 6,244
Rents	957	858
Miscellaneous	486	347
	5,653	7,449
Less: Allowance for doubtful accounts	705	456
	$4,948	$ 6,993

3. The Province of Newfoundland is charged with operating deficits incurred by Newfoundland and Labrador Housing Corporation and credited with annual grants voted by the legislature. This treatment has resulted in an accumulation of operating grants in excess of operating deficits as at 31 March 1979.

	1979 000's	1978 000's
Accounts receivable	$5,546	$ 441
Less: Excess of accumulated grants over operating deficits		
Balance beginning of year	1,957	2,248
Operating grants - current year	1,283	1,305
Operating deficit - current year	(1,715)	(1,596)
Balance end of year	1,525	1,957
Net balance due from Province	$4,021	$(1,516)

4. Depreciation as referred to in note 1(e) is calculated as follows:

Class	Method of Depreciation	Cost	Accumulated Depreciation	Net Book Value
		000's	000's	000's
Homes for Needy	25 years straight line	$ 2,023	$ 439	$ 1,584
Provincial Government Houses	50 years straight line	1,867	224	1,643
Corporation Owned Houses	Sinking fund various rates	59,649	981	58,668
Federal/Provincial Housing Projects	Sinking fund various rates	13,291	359	12,932
		$76,830	$2,003	$74,827

5. Mortgages, debentures, and similar indebtedness

	1979	1978
	000's	000's
Bank of Montreal Mortgages	$ 715	$ 727
Canada Mortgage and Housing Corporation Mortgages	2,966	3,134
Canada Mortgage and Housing Corporation Debentures	47,165	44,685
Canada Mortgage and Housing Corporation Advances re Rural Home Ownership Mortgage Program	32,848	26,981
Province of Newfoundland, Advances under the Department of Regional and Economic Expansion Program (Government of Canada)	3,395	4,217
	$87,089	$79,744

Corporation owned housing units have been pledged as security for mortgages totalling $3,681,000 at 31 March 1979.

Principal repayment for the next five years on $34,322,000 of the outstanding debt related to rental housing units will be as follows:

1980 - $390,000; 1981 - $185,000; 1982 - $195,000; 1983 - $206,000; and 1984 - $217,000.

Principal repayment on $16,524,000 of the Canada Mortgage and Housing Corporation liability and $3,395,000 of advances from Government of Canada, Department of Regional and Economic Expansion which represent land assembly loans will be related to future lot sales.

Principal repayment on $32,848,000 of the Canada Mortgage and Housing Corporation liability which represent advances re Rural Home Ownership Mortgage Program will be related to future principal recoveries of related mortgages receivable.

6. Administration expenditure

	1979 000's	1978 000's
Salaries and employee benefits	$2,955	$2,280
Travel and vehicle expense	313	255
Rent, heat, light, cleaning and maintenance	367	218
Office supplies and equipment	71	91
Telephone and postage	135	100
Shop and office equipment	81	49
Collection charges and credit reports	34	19
Computer system charges	48	45
General	165	61
	$4,169	$3,118

7. Rental unit expenses

	1979 000's	1978 000's
Heat, light, and operating	$ 596	$ 567
Repairs and maintenance	2,189	2,691
Administration	884	701
Insurance and municipal taxes	790	774
Amortization, interest and depreciation	4,348	3,314
	$8,807	$8,047

8. The St. John's Housing Authority, established to carry on the operations of rental housing, maintains their accounts on the basis of a fiscal year ended 31 December, as opposed to the Corporation's year end of 31 March. The Corporation's share of the Housing Authority's losses has been established by taking actual losses for the period 1 April 1978 to 31 December 1978 plus one quarter of their approved budget for the year ended 31 December 1979.

9. The Corporation is contingently liable for amounts totalling $11,975,000 comprised of uncompleted construction under contract at year end amounting to $3,693,000; commitments under Mortgage Lending Programs amounting to $6,960,000 and commitments to various municipalities for grants under the Neighbourhood Improvement Program amounting to $1,322,000.

10. Reclassification
Certain comparative figures have been restated to conform with the current year's presentation.

11. The Corporation participates in the Provincial Government Pension Plan at a cost of 6% of employee earnings less Canada Pension Plan contributions.

12. Other information

The Corporation took over the operations of the Corner Brook Housing Corporation and Corner Brook Housing Authority on 1 April 1978. Their net assets at that date have been recorded in Newfoundland and Labrador Housing Corporation's accounts as follows:

	The Corner Brook Housing Authority	The Corner Brook Housing Corporation
Total assets at book value	$106,584	$4,027
Total liabilities at book value	106,584	4,027
Net assets	$ —	$ —

DEPARTMENT OF THE AUDITOR GENERAL

St. John's, Newfoundland

AUDITOR'S REPORT

To the Chairman and Members
of the Newfoundland and
Labrador Housing Corporation

I have examined the balance sheet of the Newfoundland and Labrador Housing Corporation as at 31 March 1980 and the statements of operations and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at 31 March 1980 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

R.E. GRUCHY, C.A.
for J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
8 May 1981

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NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION

Index to the Financial Statements

31 March 1980

Balance Sheet — Statement 1

Statement of Operations — " 2

Statement of Changes in Financial Position — " 3

NEWFOUNDLAND HOUSING

Balance 31 March

	1980	1979
	000's	000's
ASSETS		
Cash	$ 513	$ 220
Accounts receivable (Note 2)	9,522	4,948
Province of Newfoundland (Note 3)	3,500	4,021
Mortgages and loans receivable	54,735	48,357
Land assemblies	23,359	25,904
Rental housing properties (Note 4)	76,630	75,626
Total assets	$168,259	$159,076

STATEMENT 1

AND LABRADOR CORPORATION

Sheet
1980

LIABILITIES

	1980 000's	1979 000's
Bank loan and overdraft	$ 6,692	$ 7,288
Accounts payable	1,093	850
Holdbacks and security deposits payable	771	772
Mortgages, debentures, and similar indebtedness (Note 5)	91,945	87,089
Total liabilities	100,501	95,999

EQUITY

	1980 000's	1979 000's
Province of Newfoundland	67,758	63,077
Total liabilities and equity	$168,259	$159,076

See accompanying notes

Signed on behalf of the Corporation

P.G. WITHERS	H.P. MILLER
Chairman	Member

STATEMENT 2

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION

Statement of Operations

For the year ended 31 March 1980

	1980 000's	1979 000's
REVENUE		
Interest	$ 6,851	$ 7,195
Rent	4,621	4,201
Canada Mortgage and Housing Corporation contributions to cost-shared programs	7,582	6,383
Administrative charges to capial projects and rental units operating	2,685	1,933
Gain (loss) on disposal of fixed assets	398	(211)
Other income	97	100
	22,234	19,601
Grant - Province of Newfoundland	4,592	1,715
	$26,826	$21,316
EXPENDITURE		
Administration (Note 6)	$ 5,330	$ 4,169
Rental unit expenses (Note 7)	10,519	8,807
Housing Authority losses	3,715	3,195
Interest expense	3,628	3,416
Residential land assembly subsidies	1,378	—
Mortgage subsidies	777	605
Rent supplement subsidies	627	497
Allowance for losses on mortgages and loans receivable	806	627
Home ownership grants	46	—
	$26,826	$21,316

See accompanying notes

STATEMENT 3

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION

Statement of changes in Financial Position

For the year ended 31 March 1980

	1980 000's	1979 000's
Financial resources were provided by:		
Capital investment by the Province of Newfoundland	$ 4,906	$ 5,926
Capital investment by Canada Mortgage and Housing Corporation in Mortgage Lending Program	4,853	5,866
Increase in mortgages and debentures payable	1,154	3,035
Increase in accounts payable	242	(1,547)
Excess of sales over expenditure in land assembly projects	2,322	(1,710)
	13,477	11,570
Financial resources were used for:		
Reduction in bank loan and overdraft	596	(4,288)
Increase in accounts receivable	4,053	3,492
Increase in mortgages and loans receivable	6,378	6,591
Reduction in Province of Newfoundland Dree debentures	1,151	822
Excess of expenditure over sales of rental housing projects	1,006	5,112
	13,184	11,729
Increase (decrease) in cash during year	293	(159)
Cash on hand, beginning of year	220	379
Cash on hand, end of year	$ 513	$ 220

See accompanying notes

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION

Notes to the Financial Statements

31 March 1980

1. Accounting policies

   (a) The Corporation's accounting policies are primarily in accordance with the recommendations of the Canadian Institute of Chartered Accountants which are substantially in accordance with the recommendations of the Canadian Institute of Public Real Estate Companies.

   (b) Furniture and equipment purchases are expensed in the year of acquisition.

   (c) Capitalization of costs:
   Carrying charges, consisting principally of interest including imputed interest on the Corporation's equity and administrative charges attributable to properties under development, are capitalized as part of the cost thereof.

   (d) Investment in land assemblies is valued at cost, less proceeds from sales, Dree grants, the Canada Mortgage and Housing Corporation's 75% share where applicable.

   (e) Investment in rental housing is valued at cost, less accumulated depreciation and Canada Mortgage and Housing Corporation's 75% share where applicable.

2. Accounts receivable

	1980	1979
	000's	000's
Canada Mortgage and Housing Corporation	$ 8,942	$ 4,210
Rents	386	624
Miscellaneous	412	486
	9,740	5,320
Less: Allowance for doubtful accounts	218	372
	$ 9,522	$ 4,948

3. The Province of Newfoundland is charged with operating deficits incurred by Newfoundland and Labrador Housing Corporation and credited with annual grants voted by the legislature. This treatment has resulted in an accumulation of operating grants in excess of operating deficits as at 31 March 1980.

	1980	1979
	000's	000's
Accounts receivable	$ 4,742	$ 5,546
Less: Excess of accumulated grants over operating deficits		
Balance beginning of year	1,525	1,957
Operating grants current year	4,309	1,283
Operating deficit current year	(4,592)	(1,715)
Balance end of year	1,242	1,525
Net balance due from Province	$ 3,500	$ 4,021

4. Depreciation as referred to in Note 1(e) is calculated as follows:

Class	Method of Depreciation	Cost	Accumulated Depreciation	Net Book Value
		000's	000's	000's
Homes for Needy	25 years straight line	$ 1,919	$ 488	$ 1,431
Provincial Government Houses	50 years straight line	1,842	249	1,593
Corporation Owned Houses	Sinking fund various rates	58,427	1,170	57,257
Federal/Provincial Housing Projects	Sinking fund various rates	16,747	398	16,349
		$78,935	$2,305	$76,630

5. Mortgages, debentures, and similar indebtedness

	1980	1979
	000's	000's
Bank of Montreal Mortgages	$ 670	$ 715
Canada Mortgage and Housing Corporation Mortgages	2,587	2,966
Canada Mortgage and Housing Corporation Debentures	48,743	47,165
Canada Mortgage and Housing Corporation Advances re Rural Home Ownership Mortgage Program	37,701	32,848
Province of Newfoundland, Advances under the Department of Regional and Economic Expansion Program (Government of Canada)	2,244	3,395
	$91,945	$87,089

Corporation owned housing units have been pledged as security for mortgages totalling $3,257,000 at 31 March 1980.

Principal repayment for the next five years on $35,616,000 of the outstanding debt related to rental housing units will be as follows:

1981 - $206,000; 1982 - $216,000; 1983 - $227,000; 1984 - $238,000; and 1985 - $250,000.

Principal repayment on $16,384,000 of the Canada Mortgage and Housing Corporation liability and $2,244,000 of advances from Government of Canada, Department of Regional and Ecnomic Expansion which represent land assembly loans will be related to future lot sales.

Principal repayment on $37,701,000 of the Canada Mortgage and Housing Corporation liability which represent advances re Rural Home Ownership Mortgage Program will be related to future principal recoveries of related mortgages receivable.

6. Administration expenditure

	1980 000's	1979 000's
Salaries and employee benefits	$3,858	$2,955
Travel and vehicle expense	472	313
Rent, heat, light, cleaning and maintenance	377	367
Office supplies and equipment	88	71
Telephone and postage	155	135
Shop and office equipment	95	81
Collection charges and credit reports	52	34
Computer system charges	156	48
General	77	165
	$5,330	$4,169

7. Rental unit expenses

	1980 000's	1979 000's
Heat, light, and operating	$ 763	$ 596
Repairs and maintenance	3,008	2,189
Administration	1,131	884
Insurance and municipal taxes	868	790
Amortization, interest and depreciation	4,749	4,348
	$10,519	$8,807

8. The St. John's Housing Authority, established to carry on the operations of rental housing, maintains their accounts on the basis of a fiscal year ended 31 December, as opposed to the Corporation's year end of 31 March. The Corporation's share of the Housing Authority's losses has been established by taking actual losses for the period 1 April 1979 to 31 December 1979 plus one quarter of their approved budget for the year ended 31 December 1980.

9. The Corporation is contingently liable for amounts totalling $9,705,000 comprised of uncompleted construction under contract at year end amounting to $2,715,000; commitments under Mortgage Lending Programs amounting to $6,500,000 and commitments to various municipalities for grants under the Neighbourhood Improvement Program amounting to $490,000.

10. Reclassification
Certain comparative figures have been restated to conform with the current year's presentation.

11. The Corporation participates in the Provincial Government Pension Plan at a cost of 6% of employee earnings less Canada Pension Plan contributions.

The Lieutenant Governor in Council
Province of Newfoundland

AUDITORS' REPORT

We have examined the consolidated balance sheet of Newfoundland and Labrador Hydro as at December 31, 1980 and the consolidated statements of income, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation as at December 31, 1980 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

PEAT, MARWICK, MITCHELL & CO.
Chartered Accountants

St. John's, Newfoundland
March 5, 1981

NEWFOUNDLAND AND

Consolidated Balance
with comparative

ASSETS

	1980 (000)	1979 (000)
Fixed assets (Note 2)		
Property, plant and equipment	$1,468,808	1,406,957
Current assets		
Cash and term deposits	38,582	64,333
Receivables	35,592	33,799
Fuel, supplies and prepaid expenses	21,002	13,119
	95,176	111,251
Long-term receivable (Note 3)	7,843	9,331
Investment in Twin Falls Power Corporation Limited (Note 4)	2,923	2,948
Lower Churchill option (Note 5)	5,200	5,200
Deferred charges	16,625	17,610
	$1,596,575	1,553,297

LABRADOR HYDRO

Sheet December 31, 1980
figures for 1979

Liabilities and Shareholder's Equity	1980 (000)	1979 (000)
Long-term debt (Notes 7 and 8)	$1,175,917	1,296,840
Current liabilities		
Promissory notes	32,990	—
Accounts payable and accrued liabilities	37,952	33,991
Accrued interest	16,920	16,719
Long-term debt due within one year	39,929	39,970
	127,791	90,680
Provision for water equalization	7,843	9,331
Minority interest in Churchill Falls (Labrador) Corporation Limited	79,239	74,989
Minority interest in Lower Churchill Development Corporation Limited	9,850	5,000
Shareholder's equity		
Share capital		
Common shares of par value of $1 each		
Authorized 25,000,000 shares; issued 22,503,942 shares	22,504	22,504
Contributed capital — Lower Churchill Development (Note 5)	10,300	7,800
Contributed capital — Gull Island Project (Note 7)	100,000	—
Retained earnings	63,131	46,153
	195,935	76,457
	$1,596,575	1,553,297

See accompanying notes

On behalf of the Board:

JANET C. GARDINER
Director

ANGUS A. BRUNEAU
Director

NEWFOUNDLAND AND LABRADOR HYDRO
Consolidated Statement of Income and Retained Earnings
For the year ended December 31, 1980
(with comparative figures for 1979)

INCOME

	1980 (000)	1979 (000)
Revenue		
Energy sales	$185,738	172,126
Rentals and royalties	6,069	5,509
Other	2,014	2,220
	193,821	179,855
Expenses		
Generation, transmission and administration	58,010	60,586
Depreciation	$21,094	18,549
Interest (Note 10)	85,344	80,981
	164,448	160,116
Net income before minority interest	29,373	19,739
Minority interest	12,395	11,062
Net income for the year	$16,978	8,677

RETAINED EARNINGS

	1980 (000)	1979 (000)
Balance at beginning of year	$46,153	37,476
Net income for the year	16,978	8,677
Balance at end of year	$63,131	46,153

See accompanying notes

NEWFOUNDLAND AND LABRADOR HYDRO
Consolidated Statement of Changes in Financial Position
For the year ended December 31, 1980
(with comparative figures for 1979)

	1980 (000)	1979 (000)
Funds provided		
From operations		
Net income	$16,978	8,677
Add items not requiring working capital	32,558	27,442
Funds provided by operations	49,536	36,119
Proceeds from long-term debt	—	132,797
Minority investment in Lower Churchill Development Corporation Limited	4,850	5,000
Contributed capital - Gull Island Project	100,000	—
Contributed capital — Lower Churchill Development	2,500	7,800
Current portion of long-term receivable	1,488	1,403
Dividends received from Twin Falls Power Corporation Limited	1,012	912
Proceeds of disposal of fixed assets	219	1,174
Total funds provided	159,605	185,205
Funds applied		
Additions to fixed assets	83,723	91,271
Reduction in long-term debt	120,923	39,870
Dividends paid by a subsidiary to minority interest	8,145	10,063
Acquisition of Lower Churchill option	—	5,200
Increase in deferred charges	—	5,223
Total funds applied	212,791	151,627
Increase (decrease) in working capital	(53,186)	33,578
Working capital (deficiency) as at beginning of year	20,571	(13,007)
Working capital (deficiency) as at end of year	$ (32,615)	$ 20,571

See accompanying notes

NEWFOUNDLAND AND LABRADOR HYDRO
Notes to Consolidated Financial Statements
December 31, 1980

Newfoundland and Labrador Hydro ("Hydro") is incorporated under a special act of the Province of Newfoundland ("Newfoundland") as a crown corporation and its principal activity is the development, generation and sale of electrical power. Hydro and its subsidiary companies are exempt from paying income taxes under Section 149(1)(d) of the Income Tax Act.

1. Summary of significant accounting policies

The accounting policies followed by Hydro and its subsidiaries are in accordance with generally accepted accounting principles in Canada.

Principles of consolidation

The consolidated balance sheet includes the accounts of Hydro and those of its subsidiary companies, Churchill Falls (Labrador) Corporation Limited ("CFLCo"), (65.8% owned), Gull Island Power Company Limited ("GIPCo"), (100% owned), and Lower Churchill Development Corporation Limited ("LCDC"), (51% owned).

CFLCo is incorporated under the laws of Canada and has completed and commissioned a hydro-electric generating plant and related transmission facilities situated in Labrador and having a rated capacity of 5,225 megawatts ("CFLCo Project").

The excess of cost of the investment in CFLCo over the equity in the book value of the net assets acquired is assigned to property, plant and equipment.

A portion of Hydro's shareholding in CFLCo is deposited in a voting trust pursuant to an agreement with Quebec Hydro-Electric Commission ("Hydro-Quebec").

GIPCo is incorporated under the laws of Canada and was established with the objective of developing the hydro-electric potential at Gull Island on the Lower Churchill River in Labrador, and of constructing a direct current transmission system from Labrador to the Island of Newfoundland ("Gull Island Project"), (refer to Note 5).

LCDC is incorporated under The Companies Act (Newfoundland) and was established with the objective of developing all or part of the hydro-electric potential of the Lower Churchill Basin ("Lower Churchill Project"), (refer to Note 5).

CFLCo owns voting control (66 2/3%) of Twin Falls Power Corporation Limited ("Twin Falls"), but only a 33 1/3% equity interest, and as the principal assets and credit resources of Twin Falls cannot be transferred to CFLCo, consolidation is not considered appropriate and the investment is carried on an equity basis.

Fixed assets and depreciation

Hydro, GIPCo and LCDC

Plant under construction includes the costs incurred in preliminary feasibility studies, engineering and design of new generation, transmission and distribution facilities. Interest is charged to plant under construction at rates equivalent to the average cost of the most recent funds borrowed.

Depreciation is calculated on hydro-electric generating plant and on transmission plant in service on the sinking fund method using interest factors ranging from 5 1/4% to 11%. Depreciation on the other plant in service is calculated on the straight-line method. These methods are designed to fully amortize the cost of the facilities, after deducting grants in aid of construction, over their estimated service lives.

Estimated service lives of the major assets are as follows:

Generation	
Hydro-electric	50, 75 and 100 years
Thermal-electric	25 and 30 years
Diesel-electric (Note 6)	20 years
Transmission	
Lines	40 and 50 years
Switching stations	40 years
Distribution System (Note 6)	30 years

CFLCo

Depreciation is provided for at a rate of 1 1/2% per annum on a straight-line basis.

Deferred charges

Deferral of major repairs

Major repairs of an extraordinary or non-recurring nature are deferred and amortized to income over a five-year period commencing in the year in which they are incurred. This practice has been recommended and approved by the Public Utilities Board (Newfoundland).

Debt discount and financing expenses

These costs are, in general, amortized on a straight-line basis over the lives of the respective issues.

Provision for water equalization

In order to compensate for the effect of year to year variations in fuel consumption resulting from fluctuations in hydro generation, Hydro has adopted the accounting treatment of recording a provision for water equalization.

Foreign currencies

Foreign currency accounts are stated in Canadian dollars on the following bases:

(a) Current assets and liabilities, exclusive of current portion of long-term debt, at the rate of exchange prevailing at the balance sheet date.

(b) Long-term debt at the exchange rates prevailing when the debt was incurred. No recognition is given in the accounts to unrealized gains or losses.

(c) All other assets and any related depreciation at rates in effect at the time of the transaction.

(d) Gains or losses arising on the translation of, or conversion to foreign currencies are included with interest in the statement of income.

2. Fixed assets

	1980	1979
	(000)	(000)
Hydro		
Property, plant and equipment, at cost	$ 558,020	418,266
Less grants in aid of construction	70,506	23,742
	487,514	394,524
Less accumulated depreciation	30,638	24,793
	456,876	369,731
Plant under construction	40,794	59,387
	497,670	429,118
GIPCo		
Gull Island Project, at cost (Note 5)	100,000	98,522
CFLCo (a)		
Property, plant and equiment, at cost	961,537	959,413
Less accumulated depreciation	102,256	87,891
	859,281	871,522
LCDC		
Capital studies (Note 5)	11,857	7,795
	$1,468,808	1,406,957

(a) The assets of CFLCo are pledged as security for the long-term debt of that company.

3. Long-term receivable

This receivable represents an amount due from Newfoundland and relates to $7,843,000 of the balance in the provision for water equalization. It will become collectible as the year-end balance in the provision falls below this amount (refer to Note 1 "Provision for water equalization").

4. Investment in Twin Falls

	1980	1979
	(000)	(000)
Shares, at cost	$ 2,500	2,500
Equity in retained earnings at beginning of year	448	369
Equity in net income for the year	987	991
Dividends for the year	(1,012)	(912)
	$ 2,923	2,948

5. Lower Churchill Development

Hydro suspended all work on the Gull Island Project in 1976, in the absence of satisfactory arrangements for the financing of the Project and the marketing of available power.

LCDC was incorporated on December 15, 1978, and as of December 31, 1980, the LCDC Board of Directors has issued a report to the shareholders recommending development of the Muskrat Falls site. To date, no decision has been taken by the shareholders.

Upon agreement to continue with the Lower Churchill Project, the GIPCo assets and the Water Rights will be acquired by LCDC pursuant to the provisions of an Option Agreement, dated November 24, 1978, and expiring May 24, 1981, between LCDC and Newfoundland. The Option Agreement stipulates that the purchase price in respect of the GIPCo assets will be a maximum of $100,000,000 less the amount of $5,200,000 representing the shares issued pursuant to the signing of the Option Agreement. As consideration for the GIPCo assets, LCDC will issue a 10% Convertible Demand Debenture in the amount of $94,800,000. LCDC will issue 3,000 Class B common shares valued at $30,000,000 to Newfoundland in consideration of the Water Rights and Newfoundland will transfer such shares to Hydro. It is not anticipated that there will be any loss upon sale of the GIPCo assets to LCDC.

During 1979, Hydro, the designate for Newfoundland's shareholding in LCDC, acquired 520 Class A common shares in LCDC valued at $5,200,000, pursuant to signing of the Option Agreement. In 1980, Hydro acquired, by way of capital contributions from Newfoundland, an additional 510 shares of LCDC's Class A common shares valued at $5,100,000.

On February 17, 1981, the Board of Directors approved the 1981 plan which calls for expenditures of $13,000,000 for engineering studies, field investigations and development work relating to the Strait of Belle Isle Cable Crossing. In addition, the Board of Directors has recommended that the Option Agreement be extended for a further eighteen months.

6. Power Distribution District

On April 1, 1980, as directed by an Order In Council of the Government of Newfoundland and Labrador, Hydro acquired the fixed assets of the Power Distribution District of Newfoundland and Labrador ("PDD"), a statutory corporation of Newfoundland, for a nominal amount and also acquired PDD's current assets and liabilities at cost. PDD is responsible for the generation and distribution of electricity at subsidized rates to its customers in certain remote rural communities.

Hydro will finance all future capital requirements of PDD and will continue to manage PDD's operating responsibilities. PDD will continue to be supplier of record to its customers and will reimburse Hydro fully for all costs associated with serving these customers, including financing costs of its capital requirements.

7. Long-term debt

			1980	1979
	Hydro (000)	CFLCo (000)	Total (000)	Total (000)
Summary of long-term debt				
Bonds, notes and debentures	$ 448,668	597,193	1,045,861	1,074,205
Bank loan	38,676	—	38,676	51,567
Government of Canada loans	91,380	—	91,380	92,768
Newfoundland loan	—	—	—	78,300
Total long-term debt	$ 578,724	597,193	1,175,917	1,296,840

It is estimated that repayments of long-term debt over the next five years will be as follows:

	(000)
1981	$39,900
1982	68,000
1983	39,800
1984	39,900
1985	27,200

Based on exchange rates in effect at December 31, 1980, after giving effect to foreign exchange cost sharing arrangements provided for in the contract between CFLCo and Hydro-Quebec ("Power Contract"), the approximate amount required to discharge foreign currency debt obligations recorded in the accounts in Canadian dollars at $698,000,000 would be $759,000,000.

Details of long-term debt are as follows:

Hydro

Bonds, notes and debentures, redeemable at the option of Hydro at various times and at various rates, none of which exceeds 102.2% of par.

Interest Rate %	Year of Maturity	1980 (000)	1979 (000)	
5 1/4	1990 (U.S. $23,840,000)	$ 25,731	27,761	(a)
7 3/4	1993 (U.S. $25,000,000)	26,773	26,773	(b)
9	1994 (U.S. $12,300,000)	13,223	13,706	
9 3/4	1986 (U.S. $23,809,000)	23,442	24,131	
8 1/8	1992	15,000	15,000	(b)
8 7/8	1999	20,000	20,000	(b)
10 3/4	1995	25,000	25,000	(b)
4 1/4	1982 (Sw. Fr. 75,000,000)	28,286	28,286	
7	1981 (£166,000 Sterling)	287	575	
10 1/4	2001	30,000	30,000	(b)
10	2002	30,000	30,000	(b)
10 Series J	2002	35,000	35,000	(b)
10 1/4 Series K	2001	35,000	35,000	(b)
10 Series L	2003	40,000	40,000	(b)
9 7/8	1994 (U.S. $50,000,000)	57,797	57,797	
11 1/4 Series M	1999	75,000	75,000	(b)
		480,539	484,029	
Less sinking funds		23,723	16,585	
		456,816	467,444	
Less payments due within one year		8,148	8,148	
		$448,668	459,296	

(a) Secured by an assignment of amounts receivable under a power contract.

(b) A sinking fund has been established for this issue.

Swiss franc loan

The maturity date of this loan has been extended by twelve months to December 1, 1982. The interest rate will be adjusted on December 1, 1981.

Bank loan

This loan, in the amount of $51,567,000 (U.S. $52,000,000) is repayable in four equal annual instalments. The loan bears interest at rates which range from 20% to 22 9/16%. The interest rates are adjusted periodically and are based upon the London interbank offering rate. Hydro may repay the loan in whole or in part on any interest adjustment date. The current portion as at December 31, 1980, was $12,892,000 (1979 $12,892,000).

Government of Canada loans

These loans, in the amount of $92,768,000 (1979 $94,067,000), bear interest at various rates from 5 1/4% to 8 1/2% and each loan is repayable following the completion date of the related facility, by thirty or forty equal annual instalments including interest. The years of maturity of these loans range between 2003 and 2014, and the current portion as at December 31, 1980, was $1,389,000 (1979 $1,299,000).

CFLCo

	1980	1979
	(000)	(000)
First Mortgage Bonds 7 3/4% Series A due December 15, 2007 (U.S. $444,826,000)	$470,799	483,763
7 7/8% Series B due December 15, 2007	45,894	47,146
General Mortgage Bonds 7 1/2% due three years after latest maturity of any First Mortgage Bonds	98,000	100,000
	614,693	630,909
Less payments due within one year	17,500	16,000
	$597,193	614,909

The First Mortgage Bonds, Series A and B, are repayable in fixed semi-annual and in contingent annual sinking fund instalments which commenced in June 1978.

The Deed of Trust and Mortgage securing the General Mortgage Bonds provides for semi-annual sinking fund payments which commenced in June 1980. Each payment will be an amount equal to 1% of the aggregate principal amount outstanding on January 1, preceding each payment date. The General Mortgage Bonds are subordinate to the First Mortgage Bonds.

GIPCo

Newfoundland loan

In February, 1980 when the Gull Island Project costs reached $100,000,000 the maximum value at which these assets may be acquired by LCDC, the Newfoundland loan was forgiven by way of a capital contribution (refer to Note 5).

8. Guarantees by Newfoundland

Newfoundland has unconditionally guaranteed the principal and interest on the long-term debt, except for the Swiss franc loan and the debt of CFLCo.

9. Sales of power, CFLCo

The Power Contract provides for the sale of substantially all of the power from the CFLCo Project for an initial period of approximately 40 years with a renewal for a further period of 25 years. Sales of power under the Power Contract have been recorded at mill rates based on an estimate of the final capital cost of the CFLCo Project, as defined, and are subject to adjustment when such cost is determined. Pursuant to the Power Contract a joint reference has been made by Hydro-Quebec and CFLCo to an independent auditor to determine the final capital cost. Although such determination has not been made, it is not anticipated that such adjustment will result in a decrease in recorded sales.

10. Interest expense

	1980	1979
	(000)	(000)
Gross interest	$118,702	113,132
Amortization of debt discount and financing expenses	1,312	894
Exchange loss on sinking fund transactions and retirement of debt	2,831	2,637
	122,845	116,663
Less:		
Recovered from:		
Hydro-Quebec (a)	19,007	19,110
PDD	336	—
Interest capitalized	7,896	9,723
Interest earned	10,262	6,849
	$ 85,344	80,981

(a) Under the terms of the Power Contract, CFLCo recovers the difference between interest calculated at the rates prescribed in the Power Contract and interest paid on the long-term debt of CFLCo.

Also, CFLCo can require Hydro-Quebec to make additional advances, against the issue of units of Subordinate Debentures and shares of common stock, to service its debt and to cover its expenses if funds are not otherwise available.

11. Dividend restrictions, CFLCo

Under the terms of the debt instruments, CFLCo may pay cash dividends only out of earnings, as defined, accumulated from September 1, 1976. As at December 31, 1980, $1,900,000 of retained earnings has been appropriated as a reserve for self-insurance and $7,991,000 is available for cash dividends.

Subsequent to December 31, 1980, the Board of Directors declared a dividend on common shares amounting to $7,446,000 of which $2,546,000 will be paid to minority interest.

12. Commitments and contingent liabilities

(a) (i) CFLCo (together with Hydro-Quebec) is defending a legal action in connection with a request by Newfoundland for the supply by CFLCo of 800 megawatts of power, pursuant to Clause 2(e) of Part 1 of the Churchill Falls (Labrador) Corporation (Lease) Act, 1961, ("lease"), commencing in 1983.

(ii) The Government of Newfoundland introduced in the Legislature, on November 21, 1980, a bill entitled "The Upper Churchill Water Rights Reversion Act" ("Act"). The Government stated that this bill was introduced because of the lack of satisfactory progress in relation to its earlier request and that the purpose of the bill is to repeal the lease. This bill received Royal Assent on December 17, 1980, but has not yet been proclaimed into force. The Government also stated that this Act will be referred to the Court of Appeal of Newfoundland and thereafter to the Supreme Court of Canada to test its validity prior to being proclaimed into force.

If this Act is proclaimed, the rights given to CFLCo under the lease will be rescinded and the hydro-electric works attached to the land held under the lease will revest in Her Majesty in Right of the Province of Newfoundland. Thereafter, CFLCo will not have any rights under the lease nor will it own the hydro-electric works attached to the land and consequently will be unable to use the water of the Upper Churchill basin to generate electricity for export from Newfoundland or for any other purpose.

The Act provides for the payment of all indebtedness secured by way of mortgage, lien, debenture or other incumbrance against the rights, privileges, liberties or interests referred to in the lease. The Act also provides that the shareholders may elect to be compensated for any reduction in the value of their common shares, subject to the conditions contained in the Act. It is the Government's stated intention that the Act will not be proclaimed into force until all arrangements have been made by it for the payment in full of all the secured indebtedness of CFLCo.

The Board of Directors of CFLCo has resolved that an intervention will be made to the courts to contest the validity of this legislation.

(b) Under the terms of a sublease with Twin Falls, expiring December 31, 1989, with a 25-year renewal option under certain conditions, CFLCo is required to deliver to Twin Falls, at an agreed price, horsepower equivalent to the installed horsepower of the Twin Falls plant and to maintain in good working order, Twin Falls' plant and equipment.

The Act has specifically assured that the rights of Twin Falls, to use the waters of the Upper Churchill to generate electricity at the Twin Falls plant, are protected notwithstanding the loss of rights by CFLCo to use the water of the Upper Churchill basin to generate electricity as CFLCo is replaced as lessor or licensor to Twin Falls by Her Majesty.

(c) Proceedings have been instituted by CFLCo against contractors for damages resulting from the reduction in revenue due to premature failure of certain generaing units. Settlement of this matter is currently under negotiation.

(d) Hydro is defending claims instituted by various companies with respect to construction costs, outages and plant shut-downs. In aggregate, these claims amount to approximately $800,000. It is not possible at this time to indicate the outcome of these claims.

(e) Contractual commitments as at December 31, 1980 total approximately $64,000,000 (1979 $28,000,000). The total cost of major projects presently under construction and to be completed by 1982 is estimated to be $155,000,000.

13. Subsequent event

On January 30, 1981, Hydro sold $75,000,000 of its 13 3/8% Sinking Fund Debentures, Series N, maturing on January 30, 2001.

14. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

DEPARTMENT OF THE AUDITOR GENERAL

St. John's, Newfoundland

AUDITOR'S REPORT

To the Chairman and Members of
The Newfoundland Crop Insurance Agency

I have examined the balance sheet of The Newfoundland Crop Insurance Agency as at 31 March 1980 and the statement of revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Agency as at 31 March 1980 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.,
Auditor General.

St. John's, Newfoundland
29 April 1981

THE NEWFOUNDLAND CROP INSURANCE AGENCY

Balance Sheet

31 March 1980

	1980	1979
ASSETS		
Cash	$31,120	$11,374
Accounts receivable	120	52
Total assets	$31,240	$11,426
LIABILITIES		
Province of Newfoundland — Deferred operating advances	$31,240	$11,426
Total liabilities	$31,240	$11,426

Signed on behalf of the Agency

MARTIN P. HOWLETT
Chairman

MICHAEL STAPLETON
Member

THE NEWFOUNDLAND CROP INSURANCE AGENCY
Statement of Revenue and Expenditure
For the year ended 31 March 1980

	1980	1979
REVENUE		
Province of Newfoundland: (Notes 1 and 2)		
Premium contributions	$ 4,861	$ 4,210
For cost of claims	185	19,149
Payments on behalf of the Agency for administration	15,265	15,145
	20,311	38,504
Premiums from insured persons	2,638	2,308
Total revenue	$22,949	$40,812
EXPENDITURE		
Indemnity claims	$ 7,642	$25,667
Salaries	14,170	13,215
Travel	72	595
Members' remuneration	315	735
Telephone and postage	500	400
Office expenses	250	200
Total expenditure	$22,949	$40,812

NOTES

1. The province of Newfoundland recovers 25% of the total premium and 50% of administrative expenses under an agreement with the Government of Canada.

2. Agency staff are employees of the Department of Rural, Agricultural and Northern Development. The portion of salaries and certain other costs applicable to the operations of the Agency and paid by the department on behalf of the Agency has been estimated arbitrarily by the Chairman.

DEPARTMENT OF THE AUDITOR GENERAL

St. John's, Newfoundland

AUDITOR'S REPORT

To His Honour the Lieutenant-Governor in Council

I have examined the balance sheet of Newfoundland Farm Products Corporation as at 31 March 1980 and the statements of income and deficit and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at 31 March 1980 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

R.E. GRUCHY, C.A.
for J.E. RICHARDS
Deputy Auditor General

St. John's, Newfoundland
19 September 1980

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NEWFOUNDLAND FARM PRODUCTS CORPORATION

Index to Financial Statements

31 March 1980

Balance Sheet — Statement 1

Statement of Income and Deficit — " 2

Statement of Changes in Financial Position — " 3

Schedule of Cost of Goods Processed — St. John's — Schedule 1

Schedule of Cost of Goods Processed — Corner Brook — " 2

NEWFOUNDLAND FARM

Balance
31 March

	1980	1979
ASSETS		
Current assets		
Cash	$ 348,108	$ —
Term deposits	500,000	600,000
Accounts receivable		
Trade	856,698	1,111,667
Province of Newfoundland	—	400,000
Other	10,897	19,298
	867,595	1,530,965
Less: Allowance for doubtful accounts	177,662	115,392
	689,933	1,415,573
Inventories		
Finished goods, at the lower of average cost or net realizable value	302,152	262,875
Materials and supplies, at the lower of cost or replacement cost	163,164	135,372
	465,316	398,247
Prepaid expenses	32,524	32,396
Total current assets	2,035,881	2,446,216
Fixed assets (Note 2)		
Property, plant and equipment	5,093,873	5,000,119
Less: Contributions —		
Province of Newfoundland	4,133,331	4,027,690
Department of Regional Economic Expansion	500,472	500,472
	4,633,803	4,528,162
Net cost	460,070	471,957
Less: Accumulated depreciation	229,730	195,751
	230,340	276,206
Construction work-in-progress	2,586,603	1,311,890
Total fixed assets	2,816,943	1,588,096
Other assets (Note 3)		
Investment in shares of East Coast Re-Cyclers Limited, at cost	23,000	23,000
Loan receivable — East Coast Re-Cyclers Limited	44,019	39,836
	67,019	62,836
Less: Reserve	67,019	62,836
	—	—
Total assets	$4,852,824	$4,034,312

STATEMENT 1

PRODUCTS CORPORATION

Sheet
1980

LIABILITIES AND EQUITY

	1980	1979
Current liabilities		
Bank overdraft	$ —	$ 18,728
Accounts payable and accrued liabilities	895,566	1,270,740
Total current liabilities	895,566	1,289,468
Deferred capital grant	1,560	1,560
Total liabilities	897,126	1,291,028
Equity		
Contributions — Province of Newfoundland	4,237,929	2,649,157
Surplus (deficit) — Statement 2	(282,231)	94,127
	3,955,698	2,743,284
Total liabilities and equity	$4,852,824	$4,034,312

See accompanying notes

Signed on behalf of the Corporation

J.E. McDONALD
President

E.P. GRIFFIN
Director

STATEMENT 2

NEWFOUNDLAND FARM PRODUCTS CORPORATION

Statement of Income and Deficit
For the year ended 31 March 1980

	St John's	Corner Brook	1980 Total	1979 Total
Sales	$6,857,411	$2,404,891	$9,262,302	$8,551,726
Cost of goods sold				
Opening inventory of finished goods	212,785	50,090	262,875	162,191
Add: Saleable product purchases	—	—	—	485,376
Cost of goods processed	7,953,942	3,406,790	11,360,732	9,657,571
	8,166,727	3,456,880	11,623,607	10,305,138
Less: Closing inventory of finished goods	137,856	164,296	302,152	262,875
	8,028,871	3,292,584	11,321,455	10,042,263
Gross loss	1,171,460	887,693	2,059,153	1,490,537
Operating expenses				
Marketing and sales	408,997	138,770	547,767	364,190
General and administrative	217,023	108,935	325,958	363,145
	626,020	247,705	873,725	727,335
Gross operating loss	$1,797,480	$1,135,398	2,932,878	2,217,872
Other income				
Profit from other operations			9,486	10,233
Facilities and equipment rental			2,670	2,280
Interest income			10,178	10,861
Service charges			28,405	71,534
Miscellaneous			23,884	10,264
			74,623	105,172
Other expenses				
Subsidy to egg producers			8,400	11,074
Assistance to other agricultural operations			50,831	88,251
Loss on disposal of fixed assets			23,921	561
Interest expense			1,135	1,003
Provision for loss on other assets			14,362	—
Strike expenses			39,321	327,019
Miscellaneous			8,182	466
			146,152	429,174
Operating loss for the year			3,004,407	2,541,874
Less: Province of Newfoundland — Operating grant			2,607,500	2,993,008
— Payment of direct expenses			20,549	6,992
			2,628,049	3,000,000
Net income (loss) for the year			(376,358)	458,126
Surplus (deficit), beginning of year			94,127	(363,999)
Surplus (deficit), end of year			$ (282,231)	$ 94,127

See accompanying notes

STATEMENT 3

NEWFOUINDLAND FARM PRODUCTS CORPORATION

Statement of Changes in Financial Position
For the year ended 31 March 1980

	1980	1979
Source of funds		
Operations		
Net income (loss)	$ (376,358)	$ 458,126
Depreciation	69,856	87,887
Loss on disposal of fixed assets	24,021	561
	(282,481)	546,574
Proceeds on disposal of fixed assets	15,800	8,660
Decrease in committed assets	—	34
Contributions — Province of Newfoundland	1,588,772	972,027
Increase in capital contribution applied against fixed assets	128,500	131,506
	1,450,591	1,658,801
Use of funds		
Addition to fixed assets	171,762	370,000
Construction work-in-progress	1,295,262	1,154,412
Decrease in deferred grant	—	6,506
	1,467,024	1,530,918
Increase (decrease) in working capital	(16,433)	127,883
Working capital at beginning of year	1,156,748	1,028,865
Working capital at end of year	$1,140,315	$1,156,748

See accompanying notes

SCHEDULE 1

NEWFOUNDLAND FARM PRODUCTS CORPORATION

Schedule of Cost of Goods Processed — St. John's

For the year ended 31 March 1980

	Pork	Poultry	1980 Total	1979 Total
Purchases	$2,787,642	$3,536,532	$6,324,174	$4,826,239
Direct labor	248,241	516,312	764,553	639,100
Packaging material	81,576	129,260	210,836	144,670
Repairs and maintenance materials	26,636	73,051	99,687	75,204
Factory supplies	25,359	19,849	45,208	18,337
Water, power and steam	30,440	83,015	113,455	95,848
Transportation	—	91,084	91,084	102,898
	3,199,894	4,449,103	7,648,997	5,902,296
Allocation of indirect factory expense	146,210	158,735	304,945	282,135
Cost of goods processed (to Statement 2)	$3,346,104	$4,607,838	$7,953,942	$6,184,431

See accompanying notes

SCHEDULE 2

NEWFOUNDLAND FARM PRODUCTS CORPORATION

Schedule of Cost of Goods Processed — Corner Brook

For the year ended 31 March 1980

	Pork	Poultry	1980 Total	1979 Total
Purchases	$55,660	$1,925,972	$1,981,632	$2,303,865
Direct labor	11,552	617,153	628,705	517,698
Packaging material	1,432	144,909	146,341	101,993
Repair and maintenance materials	743	84,038	84,781	68,500
Factory supplies	2,383	15,313	17,696	18,569
Transportation	—	103,087	103,087	97,210
	71,770	2,890,472	2,962,242	3,107,835
Allocation of indirect factory expense	10,023	434,525	444,548	365,305
Cost of goods processed (to Statement 2)	$81,793	$3,324,997	$3,406,790	$3,473,140

See accompanying notes

NEWFOUNDLAND FARM PRODUCTS CORPORATION
Notes to Financial Statements
For the year ended 31 March 1980

1 Accounting policies

(a) Funds received from the Province of Newfoundland for working capital purposes are treated as a reduction of the operating loss for the year.

(b) Fixed assets are being depreciated under the declining balance method at rates indicated in Note 2.

(c) The balance sheet does not include fixed assets owned by the Province of Newfoundland, and used by the Corporation in the operations of the abattoir, cold storage, poultry killing and processing plants, located in St. John's. The Province does not charge any rent to the Corporation for the use of these buildings. All improvements to these buildings are expensed in the Corporation's financial statements.

(d) Indirect factory expenses are allocated to cost centers based on production pounds.

					1980	1979
	Rates	Cost	Contributed Assets	Accumulated Depreciation	Net Book Value	Net Book Value
2 Fixed Assets						
Land	—	$ 265,072	$ 265,072	$ —	$ —	$ —
Buildings	5%	2,896,092	2,893,518	478	2,096	2,207
Machinery and equipment	20%	856,015	640,352	78,268	137,395	136,893
Office furniture and equipment	20%	46,507	—	25,493	21,014	25,805
Automotive equipment	30%	318,300	128,500	121,517	68,283	109,360
Agricultural facilities	20%	711,887	706,361	3,974	1,552	1,941
		$5,093,873	$4,633,803	$229,730	$230,340	$276,206

3 Other Assets

(a) Investment in East Coast Re-Cyclers Limited represents 230 of Class B preference shares with a cost of $23,000. These shares were received in exchange for equipment from the Corner Brook plant and are redeemable at the end of five years or after the Newfoundland and Labrador Development Corporation has recovered its outstanding loans with East Coast Re-Cyclers Limited.

(b) A 10⅝ % loan receivable from East Coast Re-Cyclers Limited is due after the Newfoundland and Labrador Development Corporation has recovered its outstanding loans with East Coast Re-Cyclers Limited.

Provision has been made in the accounts for decline in the value of the shares and the expected collectibility of the loan receivable.

AUDITORS' REPORT

The Shareholders,
Newfoundland Fibrply Limited.

We have examined the balance sheet of Newfoundland Fibrply Limited as at October 31, 1980 and the statements of income and retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances, except as explained below.

Inventories of logs, as described in Note 1(a) to the financial statements, were not determined by physical measurement either at the prior or current year ends. The possible effects of any adjustments which might have been required to inventories, cost of sales, income taxes, retained earnings, funds to be applied to redeem preference shares and the consequent effect on authorized and issued preference shares, had the actual quantities of these logs been physically counted is not determinable.

The determination of the net book value of depreciable assets referred to in Note 1(b) to the financial statements is not in accordance with generally accepted accounting practices. Also the uncertainty existing over ownership and title to certain fixed assets precludes the determination of the proper valuation of these assets.

In view of the possible material effect on the financial statements of the matters discussed in the preceding paragraphs, we are unable to express an opinion as to whether or not the accompanying financial statements present fairly the company's financial position as at October 31, 1980 and the results of its operations and the changes in its financial position for the year then ended.

TOUCHE ROSS & CO.
Chartered Accountants

St. John's, Newfoundland
November 28, 1980.

NEWFOUNDLAND

(Incorporated under the laws of

Balance Sheet as at

		1980	1979
ASSETS			
Current			
Cash and short term deposits		$ 47,062	$ 45,957
Accounts receivable		109,936	136,451
Inventories — Note 1			
Raw materials	$94,897		
Finished goods	21,950		
Manufacturing supplies	30,610		
Goods in process	11,990	159,447	159,238
		5,335	11,743
		321,780	353,389
Fixed — Note 1			
Land, buildings, machinery and equipment		1,806,151	1,806,151
Less accumulated depreciation		493,981	493,981
		1,312,170	1,312,170
		$1,633,950	$1,665,559

FIBRPLY LIMITED

the Province of Newfoundland)
October 31, 1980

	1980	1979
LIABILITIES		
Current		
Accounts payable	$ 60,255	$ 33,618
SHAREHOLDERS' EQUITY		
Capital — Note 1		
Authorized		
8,834 4¾ % non-cumulative, redeemable preference shares of $100 each		
1,000 common shares of $100 each		
Issued		
13,000 4¾ % preference shares	1,300,000	1,300,000
4,166 shares redeemed	416,600	416,600
8,834 shares outstanding	883,400	883,400
1,000 common shares	100,000	100,000
	983,400	983,400
Contributed surplus — Note 3	358,491	358,491
Retained earnings	231,804	290,050
	1,573,695	1,631,941
	$1,633,950	$1,665,559

See accompanying notes to financial statements.

NEWFOUNDLAND FIBRPLY LIMITED

Statement of Income and Retained Earnings
For the year ended October 31, 1980

	1980	1979
Sales	$670,765	$832,402
Less: Discounts	1,768	1,997
Freight out	5,182	11,327
	6,950	13,324
	663,815	819,078
Cost of goods sold		
Inventory of finished goods, beginning of the year	50,530	33,800
Cost of goods manufactured	547,753	666,907
	598,283	700,707
Inventory of finished goods, end of the year	21,950	50,530
	576,333	650,177
Gross profit from sales	87,482	168,901
Expenses		
Depreciation		7,071
Salaries — administrative and office	76,875	89,666
— shipping and selling	41,910	39,416
Telephone and telegraph	3,860	3,957
Stationery and office supplies	1,470	2,266
Advertising and sales promotion	1,721	552
Travelling	5,468	5,812
Motor vehicles	5,346	9,040
Postage	814	905
Interest and bank charges	13	14
Miscellaneous	5,089	6,662
Group insurance	2,754	1,283
Repairs and maintenance	2,480	828
Packing materials	548	748
Audit and legal	3,950	3,950
Insurance	578	846
Bad debts (recovered)	2,046	(26)
	154,922	172,990
Loss from operations	67,440	4,089
Other income		
Interest earned	3,205	3,289
Rent received	4,771	4,191
Miscellaneous	1,218	1,549
	9,194	9,029
Net (loss) income for the year	(58,246)	4,940
Retained earnings, beginning of the year	290,050	285,110
Retained earnings, end of the year	$231,804	$290,050

See accompanying notes to financial statements.

NEWFOUNDLAND FIBRPLY LIMITED

Statement of Changes in Financial Position

For the year ended October 31, 1980

	1980	1979
Operations		
Income (loss) before extraordinary item	$(58,246)	$ 4,940
Depreciation charged against income but not requiring an outlay of funds		7,071
Net (decrease) increase in working capital	(58,246)	12,011
Working capital, beginning of the year	319,771	307,760
Working capital, end of the year	$261,525	$319,771

See accompanying notes to financial statements.

NEWFOUNDLAND FIBRPLY LIMITED
Notes to Financial Statements
October 31, 1980

1. Significant accounting policies

   (a) Inventories are valued at the lower of cost or net realizable value and include logs on hand and logs cut but not delivered valued at a cost of $57,852 (1979 - $73,598).

   The quantity of the logs on hand was not determined by physical measurement. The company's records of logs cut and delivered were used to determine the quantity of logs included in inventory at October 31, 1980 and 1979.

   (b) Fixed assets are valued at cost of purchases less proceeds from disposals.

   Fixed assets include certain assets which were the property of the predecessor company, Atlantic Hardboard Industries Limited, the title of which has not been transferred to Newfoundland Fibrply Limited.

   Depreciation is recorded in the books only in those years when capital cost allowance is claimed for tax purposes. The net book value of depreciable assets is therefore the same as the undepreciated capital cost of those assets.

   Depreciation charged for the year ended October 31, 1980 was Nil (1979 — $7,071).

   (c) In accordance with the Agreement referred to in Note 2, the company within three months after the end of each financial year is to redeem preference shares as directed by the Agreement. No amount is available for redemption for the year ended October 31, 1980.

   Under the Agreement the redemption of preference shares is deemed to be a reduction of the authorized share capital of the company not necessitating a transfer of profits or other moneys to the Capital Redemption Reserve Fund.

2. Management fees

   In accordance with an Agreement made between the Government of the Province of Newfoundland, Wood Products Limited and Newfoundland Fibrply Limited, dated March 28, 1963, the company, in a resolution approved by its Board of Directors, may pay directors' fees, salaries and management fees to the extent set forth in Section 10 of the Agreement. As at October 31, 1980, no funds are available for distribution (1979 — $8,400).

3. Contributed surplus

   Contributed surplus represents debts forgiven by the Province of Newfoundland in accordance with the previously mentioned Agreement dated Mach 28, 1963.

4. Pension liability

   Based on actuarial calculations, the estimated unfunded past service cost of the company pension plan was $34,599 at October 31, 1980. The liability is being funded in annual installments over a four year period and is being charged to expenses over the same period.

5. Income taxes

   The company has a loss for tax purposes of $63,023. This loss may be used to offset taxable income up to 1985.

6. Related party transactions

   During the year approximately 32% of the company's sales were made to, and most of the steam energy required to operate the plant, purchased from Newfoundland Hardwoods Limited. It is unlikely that the company could continue to operate if this market and source of energy were not available.

NEWFOUNDLAND FIBRPLY LIMITED

Statement of Cost of Goods Manufactured
For the year ended October 31, 1980

	1980	1979
Raw materials		
Wood	$ 95,494	$122,471
Glue	113,801	135,834
Wax and other chemicals	7,226	8,110
Sand paper	905	1,581
Knives and grinding wheels	1,147	2,303
	218,573	270,299
Direct labour	90,438	107,205
Manufacturing expenses		
Supervision and indirect labour	36,957	28,048
Vacation pay	16,261	18,181
Bunker oil	20,069	19,853
Electric power	44,044	46,100
Automotive equipment	3,420	4,044
Fire protection	1,374	1,293
Repairs and maintenance — materials	32,376	34,229
Repairs and maintenance — wages	49,441	62,257
Miscellaneous	470	481
Group insurance	1,835	855
Workers' Compensation insurance	2,274	2,544
Fire insurance	10,961	8,828
Steam	19,270	29,170
	238,752	255,883
	547,763	633,387
Add: Work in process, beginning of the year	11,980	45,500
	559,743	678,887
Deduct: Work in process, end of the year	11,990	11,980
Cost of Goods Manufactured carried to Statement of Income	$547,753	$666,907

NEWFOUNDLAND
Schedule of Fixed Assets
For the year ended

Assets	Balance Nov 1/79	Additions
Land	$ 17,987	$
Fencing	917	
Roadways	22,783	
Water and sewerage systems	1,270	
Buildings — production and warehouse	232,748	
Buildings — office and residence	61,755	
Wood camp	3,389	
Well	2,258	
Railroad sidings	9,263	
Machinery and equipment	1,315,061	
Office furniture and equipment	16,479	
Motor vehicles and fork lift	117,785	
Outdoor lighting	967	
Tools	3,489	
	$1,806,151	$

FIBRPLY LIMITED

and Depreciation
October 31, 1980

Disposals	Balance Oct. 31/80	Accumulated Depreciation Nov. 1/79	Depreciation	Accumulated Depreciation Oct. 31/80	Net Balance as per Balance Sheet
$	$ 17,987	$	$	$	$ 17,987
	917	255		255	662
	22,783	4,185		4,185	18,598
	1,270	231		231	1,039
	232,748	42,893		42,893	189,855
	61,755	7,418		7,418	54,337
	3,389	514		514	2,875
	2,258	615		615	1,643
	9,263	2,161		2,161	7,102
	1,315,061	359,385		359,385	955,676
	16,479	6,039		6,039	10,440
	117,785	69,805		69,805	47,980
	967	131		131	836
	3,489	349		349	3,140
$	$1,806,151	$493,981	$	$493,981	$1,312,170

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AUDITORS' REPORT

To the Shareholders of Newfoundland Hardwoods Limited

We have examined the balance sheet of Newfoundland Hardwoods Limited as at October 31, 1980 and the statements of income, retained earnings and changes in working capital for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

As disclosed in Note 1 to the financial statements, depreciation has not been recorded in the Clarenville division since 1962. Furthermore, vehicle additions in this division are expensed in the year acquired and proceeds from disposal of fixed assets are recorded as current revenues. In this respect the financial statements are not in accordance with generally accepted accounting principles.

In our opinion, except for the failure to provide for depreciation and to properly record purchases and disposal of fixed assets, these financial statements present fairly the financial position of the company as at October 31, 1980 and the results of its operations and the changes in its working capital for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

WALTERS HOFFE & CO.
Chartered Accountants

St. John's, Newfoundland
January 14, 1981

NEWFOUNDLAND

Balance

October 31,

Assets

	1980	1979
Current assets:		
Cash and term deposits	$ 325,817	$ 995,103
Receivables (Note 2)	4,575,400	5,986,117
Inventories (Note 3)	7,306,068	5,897,061
Prepaid expenses	12,956	9,958
Total current assets	12,220,241	12,888,239
Property and equipment, at cost less accumulated depreciation (Note 4)	4,129,886	3,815,039
	$16,350,127	$16,703,278

HARDWOODS LIMITED

Sheet

1980

Liabilities and Shareholders' Equity	1980	1979
Current liabilities:		
Bank loan (Note 5)	$ 2,323,000	$ 1,410,000
Accounts payable and accrued liabilities (Note 6)	2,120,783	4,519,022
Total current liabilities	4,443,783	5,929,022
Shareholders' equity:		
Common shares of $100 each par value Authorized 1,000 shares; issued and fully paid 253 shares	25,300	25,300
Retained earnings, per accompanying statement	11,881,044	10,748,956
Total shareholders' equity	11,906,344	10,774,256
	$16,350,127	$16,703,278

See accompanying notes to the financial statements

Subject to accompanying Auditors' Report, dated January 14, 1981

Approved:

____________________ Director

____________________ Director

NEWFOUNDLAND HARDWOODS LIMITED
Statement of Retained Earnings
Year ended October 31, 1980

	1980	1979
Retained earnings at beginning of year	$10,748,956	$ 9,215,610
Net income for the year	1,132,088	1,533,346
Retained earnings at end of year	$11,881,044	10,748,956

See accompanying notes to the financial statements

Subject to accompanying Auditors' Report, dated January 14, 1981

NEWFOUNDLAND HARDWOODS LIMITED
Statement of Income
Year ended October 31, 1980

	1980	1979
Sales	$16,713,246	$18,256,694
Cost of sales:		
Inventory — finished goods at beginning of year	1,868,540	1,627,263
Cost of goods manufactured	15,434,802	15,782,227
	17,303,342	17,409,490
Inventory — finished goods at end of year	2,889,316	1,868,540
	14,414,026	15,540,950
Gross profit	2,299,220	2,715,744
Other income (Note 7)	52,604	49,604
	2,351,824	2,765,348
Operating expenses:		
Administrative salaries and benefits	593,343	544,591
Shipping and receiving	186,387	188,996
Equipment leasing	38,898	52,681
Advertising	13,853	13,679
Stationery and office supplies	21,154	16,704
Telephone	30,204	34,623
Provision for bad and doubtful receivables	39,874	23,156
Travel	77,646	54,865
Professional and consulting fees	38,730	19,860
Miscellaneous	21,859	17,045
Interest and bank charges	157,788	132,928
Interest on long-term debt	—	32,874
Past service pension contribution	—	100,000
Total operating expenses	1,219,736	1,232,002
Net income	$ 1,132,088	$ 1,533,346

See accompanying notes to the financial statements

Subject to accompanying Auditors' Report, dated January 14, 1981

NEWFOUNDLAND HARDWOODS LIMITED
Statements of Changes in Working Capital
Year ended October 31, 1980

	1980	1979
Source of working capital:		
From operations:		
Net income	$1,132,088	$1,533,346
Depreciation	57,939	55,090
	1,190,027	1,588,436
Proceeds on disposal of property and equipment	1,200	25,622
Total working capital provided	1,191,227	1,614,058
Application of working capital:		
Purchase of property and equipment	373,986	41,780
Total working capital applied	373,986	41,780
Increase in working capital	817,241	1,572,278
Working capital at beginning of year	6,959,217	5,386,939
Working capital at end of year	$7,776,458	6,959,217

See accompanying notes to the financial statements

Subject to accompanying Auditors' Report, dated January 14, 1981

NEWFOUNDLAND HARDWOODS LIMITED
Notes to Financial Statements
October 31, 1980

Summary of accounting policies:

a) Inventories:

The company values its inventories at the lower of cost and net realizable value.

b) Depreciation:

Fenco Consultants Limited completed an evaluation of the fixed assets of the St. John's division in October, 1977 and the accounting records have been corrected to record accumulated depreciation equal to the reduction in the value of fixed assets from cost to current value at the date of the appraisal. Depreciation has been calculated on a straight line basis over the estimated useful life of the assets as determined by the consultants at October 31, 1977.

No depreciation has been recorded in the accounts of the Clarenville division since October 31, 1962. Additions to fixed assets, with the exception of vehicles, are recorded at cost. Disposals of fixed assets are not removed from the accounts and the proceeds are recorded as current revenue. Purchases and disposals of vehicles are recorded in current operations.

Land in St. John's has been adjusted to agree with a valuation determined by management.

Receivables:

	1980	1979
Trade	$4,586,834	$6,001,689
Other	24,901	35,346
	4,611,735	6,037,035
Less allowance for doubtful receivables	36,335	50,918
	$4,575,400	$5,986,117

Inventories:

	1980	1979
Raw materials	$4,255,482	$3,760,466
Goods in process	17,908	9,210
Finished goods	2,889,316	1,868,540
Supplies	143,362	258,845
	$7,306,068	$5,897,061

Property and equipment:

	1980			1979
	Carrying Value	Accumulated Depreciation	Net Book Value	Net Book Value
Land	$ 170,314	$ —	$170,314	$170,314
Land improvements	200,954	12,374	188,580	188,838
Buildings	2,166,646	879,563	1,287,083	1,287,369
Wharf	167,858	31,306	136,552	136,552
Machinery and equipment	2,745,750	647,937	2,097,813	1,784,327
Furniture and fixtures	38,520	13,147	25,373	26,258
Vehicles	361,659	137,488	224,171	221,381
	$5,851,701	$1,721,815	$4,129,886	$3,815,039

NEWFOUNDLAND HARDWOODS LIMITED
Statements of Changes in Working Capital
Year ended October 31, 1980

	1980	1979
Source of working capital:		
From operations:		
Net income	$1,132,088	$1,533,346
Depreciation	57,939	55,090
	1,190,027	1,588,436
Proceeds on disposal of property and equipment	1,200	25,622
Total working capital provided	1,191,227	1,614,058
Application of working capital:		
Purchase of property and equipment	373,986	41,780
Total working capital applied	373,986	41,780
Increase in working capital	817,241	1,572,278
Working capital at beginning of year	6,959,217	5,386,939
Working capital at end of year	$7,776,458	6,959,217

See accompanying notes to the financial statements

Subject to accompanying Auditors' Report, dated January 14, 1981

NEWFOUNDLAND HARDWOODS LIMITED

Notes to Financial Statements
October 31, 1980

Summary of accounting policies:

a) Inventories:

The company values its inventories at the lower of cost and net realizable value.

b) Depreciation:

Fenco Consultants Limited completed an evaluation of the fixed assets of the St. John's division in October, 1977 and the accounting records have been corrected to record accumulated depreciation equal to the reduction in the value of fixed assets from cost to current value at the date of the appraisal. Depreciation has been calculated on a straight line basis over the estimated useful life of the assets as determined by the consultants at October 31, 1977.

No depreciation has been recorded in the accounts of the Clarenville division since October 31, 1962. Additions to fixed assets, with the exception of vehicles, are recorded at cost. Disposals of fixed assets are not removed from the accounts and the proceeds are recorded as current revenue. Purchases and disposals of vehicles are recorded in current operations.

Land in St. John's has been adjusted to agree with a valuation determined by management.

Receivables:

	1980	1979
Trade	$4,586,834	$6,001,689
Other	24,901	35,346
	4,611,735	6,037,035
Less allowance for doubtful receivables	36,335	50,918
	$4,575,400	$5,986,117

Inventories:

	1980	1979
Raw materials	$4,255,482	$3,760,466
Goods in process	17,908	9,210
Finished goods	2,889,316	1,868,540
Supplies	143,362	258,845
	$7,306,068	$5,897,061

Property and equipment:

	1980			1979
	Carrying Value	Accumulated Depreciation	Net Book Value	Net Book Value
Land	$ 170,314	$ —	$170,314	$170,314
Land improvements	200,954	12,374	188,580	188,838
Buildings	2,166,646	879,563	1,287,083	1,287,369
Wharf	167,858	31,306	136,552	136,552
Machinery and equipment	2,745,750	647,937	2,097,813	1,784,327
Furniture and fixtures	38,520	13,147	25,373	26,258
Vehicles	361,659	137,488	224,171	221,381
	$5,851,701	$1,721,815	$4,129,886	$3,815,039

Bank loan is secured by:

a) General assignment of book debts

b) Assignment of inventories to a value of $3,250,000 covering all woods, plywood, furniture, creosote, asphalt, including raw materials, goods in process of manufacture, and finished goods.

c) Assignment of fire insurance.

Accounts payable and accrued liabilities:

	1980	1979
Trade payables	$1,626,875	$3,946,427
Payroll deductions	52,561	39,643
Pension contributions	98,790	93,930
Federal and Provincial sales tax	188,420	158,167
Customer deposits	61,904	125,014
Accrued wages	49,613	9,741
Other accrued liabilities	42,620	146,100
	$2,120,783	$4,519,022

Other income:

	1980	1979
Steam sales	$ 21,040	$ 29,786
Miscellaneous sales	31,564	18,566
Interest earned	—	1,252
	$ 52,604	$ 49,604

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Board of Directors
Newfoundland Industrial Development Corporation
St. John's, Newfoundland

I have examined the balance sheet of the Newfoundland Industrial Development Corporation as at 31 March 1980 and the statements of income and retained earnings and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at 31 March 1980 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
18 November 1981

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NEWFOUNDLAND INDUSTRIAL DEVELOPMENT CORPORATION

Index to Financial Statements

For the year ended 31 March 1980

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NEWFOUNDLAND INDUSTRIAL

Balance
31 March

	(000's) 1980	(000's) 1979
ASSETS		
Current assets:		
Cash	$ 1,162	$ 73
Current portion of mortgage receivable	32	880
Current portion of loans receivable (Note 3)	2,406	2,243
Accrued interest receivable (Note 3)	702	632
Total current assets	4,302	3,828
Investments at cost (Note 2)	55,103	51,808
Mortgage receivable — cost $1,370	60	67
Long-term loans receivable — net of current portion (Note 3)	22,613	24,741
	$82,078	$80,444

STATEMENT 1

DEVELOPMENT CORPORATION

Sheet
1980

	(000's) 1980	(000's) 1979
Liabilities and Retained Earnings		
Current liabilities:		
Accrued interest payable	$ 284	$ 268
Current portion of long-term debt	6,663	6,791
Liability for insurance proceeds	1,132	—
Total current liabilities	8,079	7,059
Long-term debt — net of current portion due (Note 4)	64,283	64,780
Total liabilities	72,362	71,839
Retained earnings	9,716	8,605
	$82,078	$80,444

See accompanying notes

Signed on behalf of the Board of Directors

GILBERT G. GILL
Director

PHILIP J. WALL
Director

STATEMENT 2

NEWFOUNDLAND INDUSTRIAL DEVELOPMENT CORPORATION
Statement of Income and Retained Earnings
For the year ended 31 March 1980

	(000's) 1980	(000's) 1979
Revenue:		
Interest earned	$2,410	$3,568
Grant from the Province of Newfoundland	—	3,600
	2,410	7,168
Expenditure:		
Interest	950	2,025
Provision for doubtful accounts	349	544
Grant to Burgeo Fish Industries Limited	—	3,600
Loss on investment—Burgeo Fish Industries Limited	—	2,600
Loss on mortgage—Pelcon Limited	—	423
	1,299	9,192
Net income (loss)	1,111	(2,024)
Retained earnings, beginning of year	8,605	10,629
Retained earnings, end of year	$9,716	$8,605

See accompanying notes

STATEMENT 3

NEWFOUNDLAND INDUSTRIAL DEVELOPMENT CORPORATION

Statement of Changes in Financial Position

For the year ended 31 March 1980

	(000's) 1980	(000's) 1979
Funds provided:		
Operations — net income	$1,111	$ —
Repayment of principal on long-term receivables	2,528	2,341
Reduction in mortgage receivable	67	880
Proceeds from long-term debt	3,268	2,988
	6,974	6,209
Funds provided not affecting working capital:		
Loan proceeds from Province of Newfoundland to be applied against principal on bank term loan	2,899	3,015
	9,873	9,224
Funds applied:		
Operations — loss	$ —	$2,024
Less: Non cash items — write-down of mortgage receivable	—	423
	—	1,601
Advances to long-term loans receivable	400	—
Purchase of investments	3,295	222
Reduction in long-term debt	3,765	(111)
Increase in mortgage receivable	60	42
	7,520	1,754
Funds applied not affecting working capital:		
Payment on bank term loan	2,899	3,015
	10,419	4,769
Increase (decrease) in working capital	(546)	4,455
Working capital (deficiency) beginning of year	(3,231)	(7,686)
Working capital (deficiency) end of year	$(3,777)	$(3,231)

See accompanying notes

NEWFOUNDLAND INDUSTRIAL DEVELOPMENT CORPORATION

Notes to Financial Statements
For the year ended 31 March 1980

1. Accounting policies

(a) Investments

The investment in the water rights and other related assets in Labrador is being recorded at the original cost of the investment and increased annually by the interest and recorded exchange loss on borrowed money with regard to the investment.

(b) Foreign currency

Translation of U.S. dollars to Canadian was made at the approximate rate prevailing when the transactions occurred.

(c) Income taxes

This Corporation is a Crown Corporation and therefore is not subject to either Provincial or Federal Income Taxes.

2. Investments (000's)

	1980	1979
Marystown Shipyards Limited 7,127 preferred shares	$ 7,126	$ 7,126
Water rights held in Labrador and certain related assets	47,977	44,682
	$55,103	$51,808

3. Loans and interest receivable (000's)

	Total	Current	Long-term
Crown Corporations	$11,311	$1,267	$10,044
Other — secured	14,844	2,275	12,569
	26,155	3,542	22,613
Allowance for doubtful accounts	434	434	
	$25,721	$3,108	$22,613

4. Long-term debt (000's)

	Total Outstanding	Current	Long-term
Notes payable to Province of Newfoundland, interest free, to be repaid out of funds received on account of certain loans receivable.	$49,022	$2,700	$46,322
8½ % fully registered debentures (U.S. $7.0 million) due semiannually to 1984; guaranteed as to principal and interest by the Province of Newfoundland. (Note 7).	5,406	909	4,497
Bank term loan (U.S. $21.1 million) bearing interest at ¾ of 1% above the London interbank offer rate ("LIBO rate") to June, 1979, and thereafter at 1% above the LIBO rate, due 1978 to 1984; guaranteed as to principal and interest by the Province of Newfoundland.	14,493	2,898	11,595
10% loan payable to Province of Newfoundland, due semiannually to 1992. (Note 8).	2,026	156	1,870
	$70,947	$6,663	$64,284

5. Loans receivable

Principal payments coming due on loans receivable in the years 1981 to 1985 are as follows:

Year ending 31 March	Amount (000's)
1981	$ 2,570
1982	2,515
1983	3,505
1984	3,763
1985	3,378
	$15,731

6. Long-term debt

Principal payments coming due on long-term debt in the years 1981 to 1985 are as follows:

Year ending 31 March	Amount (000's)
1981	$ 6,663
1982	5,488
1983	6,414
1984	6,671
1985	6,284
	$31,520

7. **Debenture debt**

The debentures are translated to Canadian dollars at par, the approximate rate prevailing when the debt was incurred.

The debentures mature at various annual amounts commencing at U.S. $462,000 in 1972 and increasing annually to U.S. $1,268,000 at final maturity in 1984. These payments are being repaid out of funds received on account of the loan to Canadian Acceptance Corporation, which loan has identical terms of repayment, but is in Canadian dollars. A third party has agreed to assume any foreign exchange loss (or will be credited with any foreign exchange gain) that may occur through the receipt and expenditure of funds for the retirement of this debt.

8. **Loan payable — Province of Newfoundland**

Principal and interest payments are to be repaid out of funds received on account of a loan to National Sea Products Limited, which loan has identical terms of repayment.

9. **Lease commitments**

On 31 March 1976 the Corporation entered into a lease agreement with Tele-Direct Limited to lease five trawlers. These vessels are sub-leased to Fishery Products (Marystown) Limited for corresponding terms and conditions.

10. **Burgeo Seafoods Limited**

Negotiations are ongoing between the Government of Newfoundland and Labrador and National Sea Products Limited regarding the possible divestiture of Government's interest in the company. Meanwhile, the repayment of the company's debt both to Government and the Corporation has been held in obeyance pending the outcome of these negotiations.

11. **Fishery Products Limited**

On 11 September 1980 the Corporation entered into an agreement with Fishery Products Limited whereby the Corporation would provide two $7,000,000 loans at an interest rate of 10¾ % to finance the construction of two trawlers at Marystown Shipyards.

These loans will be financed by a 10½ % direct loan of $14,000,000 from the Government of Newfoundland and Labrador.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

The Board of Commissioners,
The Newfoundland Legal Aid Commission,
St. John's, Newfoundland.

In accordance with the provisions of Section 24 of The Legal Aid Act, 1975, I have examined the balance sheet of The Newfoundland Legal Aid Commission as at 31 March 1980 and the statement of revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of The Newfoundland Legal Aid Commission as at 31 March 1980 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
for J.E. RICHARDS,
Deputy Auditor General.

St. John's, Newfoundland
15 September 1980

THE NEWFOUNDLAND

Balance
As at 31 March

ASSETS		1980		1979
Current assets				
Cash (Note 5)		$ 9,398		$ 65,359
Grant receivable from the Province of Newfoundland		60,000		100,957
Accounts receivable	$104,740		$90,236	
Less: Allowance for doubtful accounts	38,135	66,605	34,947	55,289
Prepaid expenses		3,376		2,262
		139,379		223,867
Funds deposited in trust (Note 3)		15,527		15,437
Fixed assets (Notes 1 and 2)				
Office equiment		26,204		20,167
Less: Accumulated depreciation		10,278		5,397
		15,926		14,770
Leasehold improvements — at net (Notes 1 and 4)		636		837
		$171,468		$254,911

LEGAL AID COMMISSION

Sheet
1980

LIABILITIES AND EQUITY

Current liabilities	1980	1979
Accounts payable and accrued liabilities	$ 62,926	$ 66,554
Unearned revenue	58,372	47,608
	121,298	114,162
Funds deposited in trust (Note 3)	15,527	15,437
Equity		
Balance, beginning of year	125,312	39,573
(Excess of expenditure over revenue) surplus	(90,669)	85,739
Balance, end of year	34,643	125,312
	$171,468	$254,911

See accompanying notes to the financial statements

Signed on behalf of The Newfoundland Legal Aid Commission

Chairman of the Commission

Provincial Director

THE NEWFOUNDLAND LEGAL AID COMMISSION

Statement of Revenue and Expenditure
For the year ended 31 March 1980

	1980	1979
Revenue		
Grant from the Province of Newfoundland	$560,000	$660,500
Recovered fees	24,892	29,017
Interest	18,820	18,030
Federal project	7,211	4,227
Miscellaneous	58	30
	610,981	711,804
Expenditure		
Legal fees and disbursements	317,978	308,058
Salaries and commissioners' fees	266,648	223,041
Bad debts	3,188	6,381
Miscellaneous	7,763	3,899
Travel	5,139	5,842
Legal Aid administration	3,900	700
Library	3,597	4,026
Conferences and education	995	4,469
Office and equipment rental	36,758	28,665
Office supplies	19,815	11,595
Insurance	3,519	2,718
Telephone and light	24,624	21,765
Depreciation	4,881	2,840
Amortization	201	201
Bank charges and interest	2,644	1,865
	701,650	626,065
(Excess of expenditure over revenue) Surplus	$(90,669)	$ 85,739

See accompanying notes to the financial statements

THE NEWFOUNDLAND LEGAL AID COMMISSION

Notes to Financial Statements

31 March 1980

1. Accounting policy

Depreciation is computed on a straight line basis over a period of five years from the date of purchase.

Leasehold improvements are amortized on a straight line basis over the remaining life of the rental agreement.

2. The Legal Aid Act, 1975

The Newfoundland Legal Aid Commission was founded under The Legal Aid Act, 1975. The Commission assumed responsibility for the functions previously performed by The Legal Aid Committee of The Law Society of Newfoundland. It commenced operations in April of 1976 and at that time acquired the assets and liabilities of the Committee. Fixed assets of the Commission acquired from the Committee are set up at net book value while new additions are set up at cost.

3. Funds deposited in trust

Funds deposited in trust represent amounts received by The Newfoundland Legal Aid Commission for legal action which has yet to be completed. Once legal action has been completed, these deposits will be combined with the general funds of the Commission.

4.	Leasehold improvements — at cost	$1,480
	Less: Accumulated amortization	844
	Leasehold improvements — net of amortization	$ 636

5. Change in presentation

Cash includes a term deposit of $25,000, whereas in the previous year term deposits were shown as a separate item. Term deposits of $50,000 at 31 March 1979 have been also reclassified under cash for comparative purposes.

AUDITOR'S REPORT

To the Chairman and Members
The Newfoundland Liquor Corporation
St. John's, Newfoundland

I have examined the balance sheet of the Newfoundland Liquor Corporation as at 31 March 1980 and the statements of income and retained earnings and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at 31 March 1980 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.E. RICHARDS
Deputy Auditor General

St. John's, Newfoundland
1 August 1980

NEWFOUNDLAND

Balance
March 31,

	1980	1979
ASSETS		
Current assets:		
Cash	$ 3,009,710	$ 1,199,261
Accounts receivable		
Trade	67,706	157,042
Claim	47,545	60,943
Other	20,612	24,514
	135,863	242,499
Less: Allowance for doubtful accounts	33,156	43,421
	102,707	199,078
Beer commissions receivable	1,339,461	1,203,319
Inventories		
Work in process	—	17,997
Raw materials	441,144	478,226
Head office inventory	3,100,208	2,890,648
Branch stores inventory	2,126,823	1,918,930
Stock in transit	455,517	404,927
Finished goods	888,558	741,182
	7,012,250	6,451,910
Prepaid expenses	69,871	81,864
Total current assets	11,533,999	9,135,432
Fixed assets:		
Buildings and land	1,090,319	1,090,319
Store equipment and fixtures	429,839	420,347
Motor vehicle	7,262	5,757
Office furniture and equipment	225,188	124,448
Plant and warehouse equipment	322,584	310,256
	2,075,192	1,951,127
Less: Accumulated depreciation	939,063	824,047
	1,136,129	1,127,080
Leasehold improvements	740,522	701,837
Less: Accumulated amortization	519,167	440,387
	221,355	261,450
Total fixed assets	1,357,484	1,388,530
Total assets	$12,891,483	$10,523,962

STATEMENT 1

LIQUOR CORPORATION

Sheet
1980

	1980	1979
LIABILITIES		
Current Liabilities:		
Accounts payable	$ 2,143,663	$ 1,672,880
Accrued liabilities (Note 4)	1,798,290	1,098,229
Total current liabilities	3,941,953	2,771,109
Retained earnings		
Due to the Province of Newfoundland	8,949,530	7,752,853
Total liabilities and retained earnings	$12,891,483	$10,523,962

See accompanying notes

G. SORENSEN Chairman

Director

STATEMENT 2

NEWFOUNDLAND LIQUOR CORPORATION

Statement of Income and Retained Earnings
Year ended March 31, 1980

	1980	%	1979	%
Sales	$56,331,490		$51,784,638	
Less: Returned sales	8,790		7,882	
Net sales	56,322,700	100	51,776,756	100
Cost of goods sold (Note 5)				
Inventory - beginning	6,451,910		5,881,528	
Purchases	26,811,660		24,974,580	
Cost of goods available for sale	33,263,570		30,856,108	
Less: Inventory - ending	7,012,250		6,451,910	
	26,251,320	46.6	24,404,198	47.1
Gross profit on sales	30,071,380	53.4	27,372,558	52.9
Expenses:				
Administrative and operating	6,823,230	12.1	6,446,771	12.5
	23,248,150	41.3	20,925,787	40.4
Other operating income:				
Commission on licensee purchases	786,013		738,348	
Commission on duty free sales	16,465		13,280	
Beer retail license fees	9,125		28,350	
Used container sales	21,100		14,600	
Interest income	19,235		—	
Rental income	8,100		8,100	
Miscellaneous	7,124		7,900	
	867,162		810,578	
Net profit from liquor store operations	24,115,312		21,736,365	
Commission revenue on sales of local beer	17,581,365		15,822,094	
Net income from total operations	41,696,677		37,558,459	
Retained earnings:				
Beginning of year	7,752,853		7,194,394	
	49,449,530		44,752,853	
Payments to Province of Newfoundland	40,500,000		37,000,000	
Retained earnings - end of year	$ 8,949,530		$ 7,752,853	

See accompanying notes

STATEMENT 3

NEWFOUNDLAND LIQUOR CORPORATION

Statement of Changes in Financial Position
Year ended March 31, 1980

	1980	1979
Source of working capital:		
From operations:		
Net profit from liquor store operations	$24,115,312	$21,736,365
Commission revenue on sales of local beer	17,581,365	15,822,094
Add (Deduct) Items not resulting in an inflow or outflow of funds:		
Depreciation	163,251	151,886
Amortization	78,781	63,033
Gain on disposal of fixed assets	(3,526)	(628)
	41,935,183	37,772,750
Proceeds from disposal of fixed assets	4,557	712
	41,939,740	37,773,462
Application of working capital:		
Payments to the Province of Newfoundland	40,500,000	37,000,000
Addition to fixed assets:		
Buildings and land	—	71,113
Equipment and furniture	173,332	45,408
Leasehold improvements	38,685	125,960
	40,712,017	37,242,481
Increase in working capital	1,227,723	530,981
Working capital - beginning	6,364,323	5,833,342
Working capital - ending	$ 7,592,046	$ 6,364,323

See accompanying notes

SCHEDULE I

NEWFOUNDLAND LIQUOR CORPORATION
Administrative and Operating Expenses
Year ended March 31, 1980

		1980	1979
Salaries and employee benefits		$4,127,607	$3,768,157
Rent (Note 2)		413,647	397,147
Freight to stores		224,014	209,258
Agency store commissions and expenses		621,614	602,524
Municipal and school tax		84,634	94,009
Travelling		69,159	54,328
Heat and light		142,029	132,896
Cleaning		97,320	105,861
Telephone and telegraph		55,381	58,515
Advertising		9,190	7,035
Computer services		175,728	67,530
Director fees and expenses		6,632	7,037
Interest and bank charges		28,371	17,259
Motor vehicle expenses		1,684	1,966
Consultants' fees		10,437	38,021
Store expenses:			
Store Security	$50,230		
Store supplies and wrapping	72,501	122,731	95,859
Office expenses:			
Stationery and office supplies	57,907		
Postage	12,276	70,183	56,860
Repairs and maintenance:			
Repairs and maintenance (Note 3)	93,731		
Ground maintenance and snow clearing	36,046	129,777	304,721
Inventory breakage and shortage:			
Branch and warehouse breakage	22,707		
Branch and warehouse shortage	45,311	68,018	65,795
Marketing expenses		67,899	17,620
Dues and subscriptions		3,044	6,311
Insurance		23,606	21,379
Professional and legal fees		4,502	8,069
Depreciation (Note 5)		122,462	112,537
Amortization		78,781	63,033
Uniforms		27,733	30,373
Staff recruiting		4,002	14,005
Staff training		17,429	19,564
Miscellaneous		20,743	17,532
Labour negotiations and grievances		1,042	3,252
Loss (Gain) on disposal of raw materials		(1,694)	48,946
Bad debt recoveries		(959)	—
Gain on disposal of fixed assets		(3,526)	(628)
		$6,823,230	$6,446,771

See accompanying notes

NEWFOUNDLAND LIQUOR CORPORATION

Notes to Financial Statements

March 31, 1980

1. **Accounting Policies**

(a) **Inventories:**
All inventories are carried at the lower of cost or net realizable value.

(b) **Fixed Assets:**
All fixed assets are capitalized at the time of acquisition at cost. Depreciation is calculated by the straight line method based on the expected future life of the assets as follows:

Buildings	20 years
Store equipment and fixtures	5 years
Motor vehicle	3 years
Office furniture and equipment	5 and 10 years
Plant and warehouse equipment	3 and 5 years

A full year's depreciation is taken in the year of acquisition while depreciation is not taken on assets disposed of during the year.

(c) Leasehold improvements are being amortized on a straight-line basis over the terms of the individual leases which range from 5 to 20 years.

2. The Newfoundland Liquor Corporation has 24 leases on file covering retail outlets. The total annual rents for each of the next five years are as follows:

Year ending 31 March,	1981 —	$359,681
	1982 —	381,751
	1983 —	357,286
	1984 —	332,107
	1985 —	320,520

3. Rent for the building occupied by the Head Office of the Corporation is being paid by the Province. Operating expenses for the period ended 31 March 1980 do not include any amounts for rent but do include building repairs and maintenance expenses totalling $93,731. This amount totalled $245,957. for the year ended 31 March 1979.

4. Included in accrued liabilities and Head Office inventory is the Customs and Excise duty on inventory held in bond at Head Office warehouse at 31 March 1980. As at 31 March 1980, this liability amounted to $1,461,227. It is notably higher than previous years because many locally bottled products are now bottled in bond instead of being bottled duty paid.

5. During the year, the Corporation allocated an amount of $40,789. to cost of goods sold. This represented the Blending Department's portion of depreciation expenses. This amount totalled $39,349. for the year ended 31 March 1979.

6. Certain 31 March 1979 figures have been regrouped to conform with the current year's presentation.

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Chairman and Members,
The Newfoundland Liquor Licensing Board,
St. John's, Newfoundland

I have examined the Balance Sheet of The Newfoundland Liquor Licensing Board as at 31 March 1980 and the Statement of Revenue and Expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at 31 March 1980 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.E. RICHARDS
Deputy Auditor General

St. John's, Newfoundland
15 August 1980

NEWFOUNDLAND LIQUOR

Balance
31 March

ASSETS

		1980		1979
Cash		$6,244		$16,605
Due from Province of Newfoundland—Schedule 1		2,550		(8,299)
Accounts receivable — imprests		500		500
Office furniture and equipment	$31,055		$29,881	
Less: expensed in year of acquisition	31,055	—	29,881	—
Total assets		$9,294		$8,806

STATEMENT 1

LICENSING BOARD

Sheet
1980

LIABILITIES	1980	1979
Accrued liabilities	$9,294	$8,806
Total liabilities	$9,294	$8,806

Signed on behalf of the Board

Cyril Banikhin
Chairman

Douglas Chafe
Member

See accompanying notes

STATEMENT 2

NEWFOUNDLAND LIQUOR LICENSING BOARD

Statement of Revenue and Expenditure

For the year ended 31 March 1980

	1980	1979
Revenue		
Operating grant — Province of Newfoundland	$438,214	$391,449
Expenditure		
Salaries and employees benefits	$341,087	$310,561
Directors' fees and expenses	4,780	5,394
Legal fees	812	787
Entertainment	157	45
Stationery and office supplies	14,612	8,869
Travel	45,311	39,050
Postage, telephone and telegraph	19,875	15,697
Cleaning	986	1,942
Dues and subscriptions	718	691
Equipment rentals, repairs and maintenance	5,406	3,949
Municipal expenses	1,012	1,360
Heat and light	1,766	1,524
Insurance	430	441
Miscellaneous	88	287
Office furniture and equipment	1,174	852
Total expenditure	$438,214	$391,449

See accompanying notes

SCHEDULE 1

NEWFOUNDLAND LIQUOR LICENSING BOARD

Due from Province of Newfoundland
For the year ended 31 March 1980

	1980	1979
Due to Province beginning of year, as restated (Note 2)	$ 8,299	$ 11,859
Add: Collection of license fees, fines and forfeitures	867,320	829,396
	875,619	841,255
Less: Payments	867,320	829,396
Excess of expenditure over operating grant	10,849	3,560
	878,169	832,956
Due from Province end of year	$ 2,550	$ (8,299)

See accompanying notes

NEWFOUNDLAND LIQUOR LICENSING BOARD

Notes to Financial Statements
For the year ended 31 March 1980

1. Accounting Policies

   (a) The board follows a policy of expensing fixed assets to operations in the year of acquisition.

   (b) All funds collected by the Board are turned over to the Province of Newfoundland and operations of the Board are financed by grants from the Province.

2. Accrued liabilities totalling $3,572 were not previously recorded for the year ended 31 March 1979. As a result, certain comparative revenue and expenditure figures and the liability to the Province have been restated to reflect this change.

DEPARTMENT OF THE AUDITOR GENERAL

St. John's, Newfoundland

AUDITOR'S REPORT

To the Chairman and Members,
The Newfoundland Medical Care Commission,
St. John's, Newfoundland

I have examined the balance sheet of the Newfoundland Medical Care Commission as at 31 March 1980 and the statement of revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at 31 March 1980 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

D.E. HOWLEY, C.A.,
Auditor General.

St. John's, Newfoundland
5 May 1980

NEWFOUNDLAND MEDICAL CARE COMMISSION

Index to Financial Statements

31 March 1980

Balance Sheet	Statement 1
Statement of Revenue and Expenditure	" 2
Schedule of Administrative Expenditure	Schedule 1

NEWFOUNDLAND

Balance
31 March

ASSETS

	1980	1979
Cash	$ 119,149	$1,340,497
Accounts receivable:		
Due from the Province of Newfoundland	—	1,500,000
Net deficit due from the Province of Newfoundland (Note 2)	4,222,039	2,823,027
Third party liability recovery	5,317	3,381
Prepaid expense	42,967	31,008
Total assets	$4,389,472	$5,697,913

STATEMENT 1

MEDICAL CARE COMMISSION

Sheet
1980

	1980	1979
LIABILITIES		
Accounts payable and accrued liabilities	$ 113,935	$ 38,676
Due to the Province of Newfoundland — salaried physicians	—	1,356,017
Liability for presented and processed claims	2,745,068	2,955,129
Estimated liability for unpresented and unprocessed claims	1,530,469	1,348,091
Total liabilities	$4,389,472	$5,697,913

Signed on behalf of the Commission

R.M. CROSBIE
Chairman

R.O. PEDDIGREW
Executive Director

See accompanying notes

STATEMENT 2

NEWFOUNDLAND MEDICAL CARE COMMISSION

Statement of Revenue and Expenditure
For the year ended 31 March 1980

	1980	1979
Revenue:		
Contributions — Province of Newfoundland	$31,500,000	$34,775,000
Investment income	—	216,419
Third party recoveries	36,921	25,215
Miscellaneous	11,888	12,483
	48,809	254,117
Total revenue	31,548,809	35,029,117
Expenditure:		
Cost of insured services —		
Physicians —		
Fee for service (opted-in)	29,535,117	25,780,816
Fee for service (opted-out) and out-of-province physicians	577,765	645,824
Dental surgery	423,329	445,346
Sessional payments	962,150	874,416
Payments in lieu of fee for service	15,000	15,000
Salaried physicians	—	6,194,639
	31,513,361	33,956,041
Administrative expenditure (Schedule 1)	1,434,460	1,286,487
Total expenditure	32,947,821	35,242,528
Net deficit for the year	1,399,012	$ 213,411

See accompanying notes

SCHEDULE 1

NEWFOUNDLAND MEDICAL CARE COMMISSION

Administrative Expenditure
For the year ended 31 March 1980

	1980	1979
Computer costs		
Claims processing	$ 300,217	$ 341,500
Redevelopment	—	17,698
	300,217	359,198
Salaries	793,133	683,262
Commission fees	10,401	13,666
Consultants' fees	4,275	—
Office supplies	83,753	59,643
Microfilming	444	2,334
Microfiche	—	2,427
Postage and telephone	45,418	39,404
Electricity	3,645	3,314
Interest and bank charges	7,703	4,749
Furniture and equipment	6,816	5,600
Office rental	115,864	72,152
Equipment rental	12,753	12,882
Leasehold improvements	19,279	1,133
Travelling	11,021	10,490
Cleaning	5,059	4,956
Miscellaneous	14,679	11,277
Total administrative expenditure	$1,434,460	$1,286,487

See accompanying notes

NEWFOUNDLAND MEDICAL CARE COMMISSION
Notes to Financial Statements
For the year ended 31 March 1980

1. Accounting policies

(a) In accordance with Section 3 of the Newfoundland Medical Care Insurance (Amendment) Act, 1974, the Province of Newfoundland is liable for any deficit of the Commission from money voted by the Legislature. As a result, the net accumulated deficit to 31 March 1980 of $4,222,039 has been recorded as due from the Province of Newfoundland.

(b) The Commission recognizes unclaimed services rendered prior to 31 March 1980 by estimating the cost of unpresented and unprocessed claims at 31 March 1980. This estimate is based on an age analysis of payments for the year by date of service. Accordingly, the estimated liability for unpresented and unprocessed claims at 31 March 1980 is $1,530,469.

(c) The Commission follows the practice of expensing fixed assets in the year of acquisition. The total of the fixed assets acquired and under control of the Commission to 31 March 1980 is $101,346. (1979 $96,080).

1. Net deficit due from the Province of Newfoundland

The net deficit is comprised of deficits for the following years:

	1980	1979
Year ended 31 March 1978	$2,609,616	$2,609,616
1979	213,411	213,411
1980	1,399,012	—
	$4,222,039	$2,823,027

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Chairman and Members
Newfoundland Municipal Financing Corporation
St. John's, Newfoundland

I have examined the balance sheet of the Newfoundland Municipal Financing Corporation as at 31 March 1980 and the statements of income, retained earnings and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at 31 March 1980 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
8 April 1981

NEWFOUNDLAND MUNICIPAL

Balance
31 March

	(000's) 1980	(000's) 1979
ASSETS		
Current assets:		
Cash	$ 56	$ 28
Term deposits	2,864	4,319
Current portion of debentures receivable	4,359	3,474
Accrued interest receivable	4,880	4,273
Total current assets	12,159	12,094
Debentures receivable from municipalities (Note 2)	159,182	138,682
Less: Amounts due in one year	4,359	3,474
	154,823	135,208
Debenture issue expenses less amortization	3,011	2,456
	$169,993	$149,758

STATEMENT 1

FINANCING CORPORATION

Sheet
1980

	(000's) 1980	(000's) 1979
LIABILITIES		
Current liabilities:		
Accrued interest payable	$ 6,172	$ 5,376
Payments received in advance	23	16
Current portion of sinking fund commitments (Note 3)	2,365	1,845
Total current liabilities	8,560	7,237
Long-term debt:		
Debenture debt, net of sinking funds (Note 3)	153,832	134,409
6% note payable to Province of Newfoundland due 1987	5,000	5,000
	158,832	139,409
Retained earnings	2,601	3,112
	$169,993	$149,758

The accompanying notes are an integral part of this financial statement

Signed on behalf of the Board of Directors

GILBERT G. GILL
Director

PHILIP J. WALL
Director

STATEMENT 2

NEWFOUNDLAND MUNICIPAL FINANCING CORPORATION

Statement of Retained Earnings
For the year ended 31 March 1980

	(000's) 1980	(000's) 1979
Retained earnings — beginning of year		
As previously reported	$3,060	$3,300
Prior period adjustment:		
Adjustment for amortization of discount on investments (Note 4)	52	—
As restated	3,112	3,300
Net loss	(511)	(188)
Retained earnings — end of year	$2,601	$3,112

The accompanying notes are an integral part of this financial statement

STATEMENT 3

NEWFOUNDLAND MUNICIPAL FINANCING CORPORATION

Statement of Income

For the year ended 31 March 1980

	(000's) 1980	(000's) 1979
Income:		
Interest on debentures receivable	$15,387	$13,937
Interest on sinking fund investments (Note 4)	1,188	1,070
Interest on term deposits	322	847
Gain on redemption — 8A debentures	107	—
	17,004	15,854
Expenses:		
Interest on long-term debt	16,803	15,775
Amortization of debenture issue expenses	182	172
Foreign exchange losses	530	95
	17,515	16,042
Net loss	$ 511	$ 188

The accompanying notes are an integral part of this financial statement

STATEMENT 4

NEWFOUNDLAND MUNICIPAL FINANCING CORPORATION

Statement of Changes in Financial Position
For the year ended 31 March 1980

	(000's) 1980	(000's) 1979
Fund provided:		
Reducation in debentures receivable	$ 4,492	$ 4,586
Net proceeds of debenture issue	24,223	29,657
Total funds provided	28,715	34,243
Funds applied:		
Net loss	511	188
Less non-cash items:		
Amortization of debenture issue expenses	182	172
Write down of debenture issue expenses applicable to redeemed debentures	40	—
	289	16
Advances to municipalities	24,107	29,662
Redemption of 8A debentures	1,852	—
Redemption of 6A debentures	382	—
Sinking fund investments	3,343	2,848
Total funds applied	29,973	32,526
Increase (decrease) in working capital	(1,258)	1,717
Working capital — beginning of year	4,857	3,140
Working capital — end of year	$ 3,599	$ 4,857
Represented by:		
Current assets	$12,159	$12,094
Current liabilities	8,560	7,237
	$ 3,599	$ 4,857

The accompanying notes are an integral part of this financial statement.

NEWFOUNDLAND MUNICIPAL FINANCING CORPORATION

Notes to Financial Statements
31 March 1980

1. Accounting policies

(a) Debentures receivable

Debentures receivable, at various interest rates, are due in annual or semiannual instalments over initial periods extending from ten (10) to forty (40) years. Due to the financial relationship between the Province and the municipalities, the Corporation maintains the position that there will not be material arrears on its debentures receivable, therefore, no allowance for doubtful accounts has been provided.

(b) Foreign currency

Conversion of U.S. dollars to Canadian dollars was made at the appropriate rates prevailing when the debenture debt was incurred. At the year end, accrued interest payable and sinking funds (cash and current portion) were translated at the year end rate.

This latter accounting treatment results in the creation of a recorded exchange gain or loss due to the interrelation between historic, actual and year end exchange rates.

(c) Income taxes

This Corporation is a Crown Corporation and, therefore, is not subject to either Provincial or Federal Income Taxes.

(d) Unamortized debenture discount and premium

The debenture issue expenses are being amortized on a straight line basis over the term of the debentures.

2. Debentures receivable

Projected amounts receivable in years 1981 through 1985 are as follows:

Year ending 31 March	Amount (In Millions)
1981	$ 4.3
1982	4.9
1983	5.4
1984	5.9
1985	6.5
	$27.0

The amount receivable from debentures receivable in 1981 is also recorded in the financial statements as the current portion of debentures receivable.

3. Long-term debt

Debenture debt (net of sinking fund commitments) consists of:

	(000's) 1980	(000's) 1979
7% Sinking Fund Debentures (U.S. $10 million) due 1 October 1987, with annual sinking fund payments equal to 2½ % of the principal, redeemable at the option of the Corporation on or after 1 October 1985, guaranteed as to principal and interest by the Province of Newfoundland.	$10,755	$10,755
7¾ % Sinking Fund Debentures (U.S. $8 million) due 15 January 1989, with annual sinking fund payments equal to 2⅓ % of the principal, redeemable at the option of the Corporation on or after 15 January 1984, guaranteed as to principal and interest by the Province of Newfoundland.	8,607	8,607
8¼ % Sinking Fund Debentures (U.S. $15 million) due 15 September 1994, with annual sinking fund payments equal to 2% of the principal, redeemable at the option of the Corporation on or after 15 September 1989, guaranteed as to principal and interest by the Province of Newfoundland.	14,728	14,728
10¾ % Sinking Fund Debentures due 15 August 1999, with annual sinking fund payments equal to 1½ % of the principal, redeemable at the option of the holder on 15 August 1989; redeemable at the option of the Corporation on or after 15 August 1994; guaranteed as to principal and interest by the Province of Newfoundland.	24,618	25,000
10 7/8% Sinking Fund Debentures (U.S. $25 million) due 1 December 1995, with various sinking fund payment rates commencing in 1984, redeemable at the option of the holder on 1 December 1983; guaranteed as to principal and interest by the Province of Newfoundland.	25,349	25,349
9¼ % Debentures (U.S. $35 million) due 15 September 1988, with various annual purchase fund commitments payable under certain specified conditions commencing in 1976; redeemable at the option of the Corporation on or after 15 September 1982; guaranteed as to principal and interest by the Province of Newfoundland.	32,272	34,124

3. Long-term debt (Continued)

	(000's) 1980	(000's) 1979
10 3/8% Sinking Fund Debentures due 3 May 2000, with annual sinking fund payments equal to 2% of the principal, redeemable at the option of the Corporation, in full, on or after 3 May 1997, guaranteed as to principal and interest by the Province of Newfoundland	$30,000	$30,000
11¼% Sinking Fund Debentures due 15 December 1999, with annual sinking fund payments equal to 2% of the principal; redeemable at the option of the Corporation, in whole but not in part, at any time on or after 15 December 1997; guaranteed as to principal and interest by the Province of Newfoundland	25,000	—
Total debenture debt	171,329	148,563
Less — sinking fund at amortized cost (par value 1980 - $17,493 1979 - $14,047)	17,497	14,154
Debenture debt	$153,832	$134,409

If the rates of exchange at 31 March 1980 had been applied to the U.S. Sinking Fund debentures outstanding and Sinking Fund investments denominated in U.S. dollars, the net debentures would be increased by $14.9 million to $168.7 million.

The Sinking Fund investments include debentures with a U.S. par value of $11.3 million compared to a U.S. amortized cost of $10.6 million, Canadian par value of $2.7 million with a Canadian cost of $2.7 million and cash of $540,418 U.S.

For the five years subsequent to 1980 the sinking fund commitments and purchase fund commitments which are payable under certain specified conditions, are as follows:

	(In millions)			
	Sinking fund commitments		Purchase fund commitments	
Year ended 31 March	Current Exchange Rates	Historical Exchange Rates	Current Exchange Rates	Historical Exchange Rates
1981	$ 2.4	$ 2.2	$1.7	$1.4
1982	2.4	2.2	1.7	1.4
1983	2.4	2.2	1.7	1.4
1984	2.4	2.2	1.7	1.4
1985	2.4	2.2	1.7	1.4
	$12.0	$11.0	$8.5	$7.0

The 1981 sinkinig fund commitments are also recorded in the financial statements as current portion sinking fund commitments.

4. Prior period adjustment

During the year the Corporation corrected income on sinking fund investments for the year ended 31 March 1979 to include amortization of discount on investments for that year. The effect of the restatement is an increase in retained earnings of $52,000.

On a comparative basis, the increase in income, i.e. $52,000 increase in income on sinking fund investments, relates solely to the year ended 31 March 1979 and has been reflected in the income statement for the period then ended. Amortization of discount had been included in income for years prior to 31 March 1979 and therefore such prior periods are not affected.

5. Subsequent event

Subsequent to the year end the Corporation issued $35 million Canadian 13 3/8% Sinking Fund Debentures due 30 January 2001.

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Chairperson and Members,
The Newfoundland Public Libraries Board,
St. John's, Newfoundland

I have examined the balance sheet of The Newfoundland Public Libraries Board as at 31 March 1980 and the statement of revenue, expenditure and deficit for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at 31 March 1980 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

D.E. HOWLEY, F.C.A.,
Auditor General.

St. John's, Newfoundland
22 Mary 1980

THE NEWFOUNDLAND PUBLIC LIBRARIES BOARD

Index to Financial Statements

31 March 1980

Balance Sheet	Statement 1
Statement of Revenue, Expenditure and Deficit	" 2
Schedule of Grants to Local Libraries	Schedule 1

THE NEWFOUNDLAND

Balance
As at 31 March

	1980	1979
ASSETS		
Current assets		
Cash	$ 552	$ 22,625
Accounts receivable	1,417	1,010
Inventory of supplies	21,020	24,956
	22,989	48,591
Fixed assets		
Building, furniture and equipment	947,852	895,970
Books	6,148,411	5,403,215
	7,096,263	6,299,185
Less: Expensed in year of acquisition	7,096,263	6,299,185
	—	—
	$ 22,989	$ 48,591

STATEMENT 1

PUBLIC LIBRARIES BOARD

Sheet
1980

LIABILITIES, LESS DEFICIT

	1980	1979
Current liabilities		
Bank overdraft	$ 52,433	$ —
Accounts payable and accrued liabilities	6,054	1,905
	58,487	1,905
Deficit (Surplus) (Statement 2)	35,498	(46,686)
	$ 22,989	$ 48,591

See accompanying notes

Signed on behalf of the Board

M.E. ANNE HART
Chairperson

PEARCE J. PENNEY
Director of Public
Library Services

STATEMENT 2

THE NEWFOUNDLAND PUBLIC LIBRARIES BOARD

Statement of Revenue, Expenditure and Deficit
For the year ended 31 March 1980

	1980	1979
REVENUE		
Operating grant		
Province of Newfoundland	$2,887,500	$2,750,000
City of St. John's	20,000	20,000
Building grant		
Province of Newfoundland	50,000	50,000
Other revenue		
Sale of bookmobiles	465	705
Miscellaneous	6,160	5,626
	2,964,125	2,826,331
EXPENDITURE		
Salaries	1,408,435	1,249,399
Books	616,552	643,505
Conferences and workshops	27,041	25,596
Periodicals	128,644	118,319
Travelling	36,917	32,957
Janitorial services and security	5,254	5,472
Books by mail	13,419	12,450
Miscellaneous	12,145	9,771
Fixtures and equipment	51,882	106,878
Repairs and maintenance	19,352	10,720
Advertising	1,250	3,482
Telephone and telegraph	25,199	22,013
Bookmobile expenses	32,685	28,444
Rental grants to regions	57,198	28,561
Rental of equipment	2,823	4,048
Office supplies	95,524	84,585
Insurance	20,298	20,043
Grants to local libraries (Schedule 1)	491,691	447,683
	3,046,309	2,853,926
Excess of expenditure over revenue	82,184	27,595
Surplus — Beginning of year	46,686	74,281
Deficit (Surplus) — End of year	$ 35,498	$ (46,686)

See accompanying notes

SCHEDULE 1

THE NEWFOUNDLAND PUBLIC LIBRARIES BOARD

Grants to Local Libraries

For the year ended 31 March 1980

Operating grants		
Community Library Services		
Arnolds Cove	$ 2,500	
Bonavista	3,400	
Burin	6,800	
Cartwright	4,500	
Catalina	2,700	
Churchill Falls	5,700	
Clarenville	4,500	
Fortune	3,600	
Garnish	2,300	
Grand Bank	4,800	
Happy Valley	5,400	
Labrador City	7,000	
L'anse au Loup	3,800	
Marystown	4,700	
Port Saunders	3,500	
St. Anthony	6,900	
St. Lawrence	5,000	
St. Lunaire-Griguet	4,500	
Southern Harbour	2,600	
Wabush	4,800	$ 89,000
Central Region		
Baie Verte	3,375	
Bishop's Falls	7,500	
Botwood	3,300	
Buchans	5,000	
Burgeo	4,000	
Gaultois	2,100	
Harmsworth	16,500	
Harbour Breton	2,875	
Harry's Harbour	2,875	
Hermitage	2,650	
Kings Point	3,300	
LaScie	3,300	
Norris Arm	5,500	
Point Leamington	4,000	
Ramea	2,750	
Roberts Arm	2,425	
St. Albans	3,300	
Seal Cove	2,975	
Springdale	3,525	
Windsor	8,025	89,275
Western Region		
Bay St. George South	5,100	
Cape St. George	2,964	
Channel-Port aux Basques	19,000	
Codroy Valley	3,500	
Cormack	1,800	
Corner Brook	20,760	
Cow Head	4,800	
Daniels Harbour	2,600	
Deer Lake	18,200	

Western Region (Cont'd)		
Lark Harbour	$ 3,800	
Lourdes	3,100	
Norris Point	3,100	
Pasadena	3,100	
Port au Port East	6,000	
Port au Port West	3,100	
Rocky Harbour	3,900	
St. Georges	3,100	
Sops Arm	3,200	
Stephenville	25,918	
Stephenville Crossing	3,200	
Woody Point	3,200	$143,442
Gander Region		
Badger's Quay	2,400	
Carmanville	7,322	
Centreville	3,210	
Change Islands	3,065	
Dark Cove	5,700	
Dover	4,000	
Fogo	7,000	
Gander	18,000	
Glenwood	1,950	
Glovertown	3,800	
Greenspond	1,550	
Hare Bay	3,400	
Lewisporte	3,900	
Lumsden	4,100	
Musgrave Harbour	3,600	
Summerford	1,950	
Twillingate	5,600	
Wesleyville	4,000	84,547
Avalon Region		
Bay Roberts	4,800	
Bell Island	2,500	
Brigus	1,300	
Carbonear	7,027	
Conception Bay South	12,500	
Fox Harbour	1,900	
Freshwater	2,000	
Harbour Grace	4,800	
Mount Pearl	3,500	
Old Perlican	4,200	
Placentia	7,000	
Pouch Cove	4,400	
St. Brides-Cape Shore	5,700	
Spaniard's Bay	2,100	
Torbay	5,000	
Trepassey	3,200	
Upper Island Cove	3,300	
Victoria	2,600	
Whitbourne	4,400	
Winterton	3,200	85,427
		$491,691

THE NEWFOUNDLAND PUBLIC LIBRARIES BOARD

Notes to the Financial Statements
For the year ended 31 March 1980

1. **Accounting Policies**

Inventory of Supplies

Inventory of supplies is valued at the lower of cost or replacement cost.

Fixed Assets

The Board follows the practice of expensing building, furniture, equipment and books to expenditure in the year of acquisition. No adjustments have been made for asset disposals.

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders,
Nurses' Training School Building Corporation Limited,
St. John's, Newfoundland

I have examined the balance sheet of the Nurses' Training School Building Corporation Limited as at 31 March 1980 and the statement of revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the corporation as at 31 March 1980 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.,
Auditor General.

St. John's, Newfoundland
14 September 1981

NURSES' TRAINING SCHOOL

Balance
31 March

	1980	1979
ASSETS		
Current assets:		
Prepaid expenses	$ 1,334	$ 1,334
Fixed assets, at cost: (Note 3)		
Land	50,000	50,000
Building	5,554,056	5,554,056
	5,604,056	5,604,056
Intangible assets:		
Organization expense	256	256
Debt service fund:		
Investments held by trustee, at cost	152,238	151,872
Accrued interest	4,069	3,083
	156,307	154,955
Total assets	$5,761,953	$5,760,601

STATEMENT 1

BUILDING CORPORATION LIMITED

Sheet
1980

LIABILITIES

		1980	1979
Current liabilities:			
Deferred revenue — per contra		$ 1,334	$ 1,334
Current portion of long-term debt		278,000	260,000
		279,334	261,334
Long-term debt: (Notes 2 and 3)			
6½ % First Mortgage Serial Bonds dated 1 October 1961, maturing 1 December 1987		2,533,000	2,811,000
Total liabilities		2,812,334	3,072,334

SHAREHOLDERS' EQUITY

		1980	1979
Share capital:			
Authorized 100 common shares of par value of $1,000 each	$100,000		
Issued and fully paid 3 shares		3,000	3,000
Capital contributions:			
Repayment of long-term debt by the Province of Newfoundland		2,789,000	2,529,000
Other		1,312	1,312
		2,790,312	2,530,312
Debt service fund balance		156,307	154,955
Total shareholders' equity		2,949,619	2,688,267
Total liabilities and shareholders' equity		$5,761,953	$5,760,601

See accompanying notes

Signed on behalf of the Board of Directors

D.G. NORRIS
Director

GILBERT G. GILL
Director

STATEMENT 2

NURSES' TRAINING SCHOOL BUILDING CORPORATION LIMITED

Statement of Revenue and Expenditure
For the year ended 31 March 1980

	1980	1979
REVENUE		
Province of Newfoundland		
Rental of Nurses' Training School	$449,714	$453,780
Interest income	14,415	10,454
	$464,129	$464,234
EXPENDITURE		
Debt charges:		
Payment to trustee for bondholders on account of principal and interest on First Mortgage Serial Bonds:		
Principal	$266,000	$249,333
Interest	189,822	206,288
	455,822	455,621
Trustee's fees and sundry	1,902	1,892
Fire insurance premium	6,405	6,721
	$464,129	$464,234

See accompanying notes

NURSES' TRAINING SCHOOL BUILDING CORPORATION LIMITED

Notes to Financial Statements

For the year ended 31 March 1980

1. **ACCOUNTING POLICIES**

   (a) **Fixed assets**

   Fixed assets are not being depreciated but payments of principal and interest on long-term debt are expensed in the financial statements. Also certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholders and which were paid for by the Lessee, are not included in these accounts.

   (b) **Interest income and rental revenue**

   The rental revenue received from the Province and interest earned on the Debt Service Fund is equal to the annual amount required to be paid on account of principal and interest, and other expenses. Thus deferred revenue equals prepaid expenses of the Corporation.

2. Principal payments coming due on the First Mortgage 6½% Serial Bonds from 1980-81 to 1984-85 are: $278,000; $297,000; $315,000; $337,000 and $359,000 respectively.

3. Fixed assets have been pledged as security for the long-term debt.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

The Board of Trustees of the
Power Distribution District of Newfoundland and Labrador,
St. John's, Newfoundland

I have examined the balance sheet of The Board of Trustees of the Power Distribution District of Newfoundland and Labrador as at 31 March 1980 and the statements of income and deficit and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at 31 March 1980 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

D.E. HOWLEY, F.C.A.,
Auditor General

St. John's, Newfoundland
26 June 1980

BOARD OF TRUSTEES
THE POWER DISTRIBUTION DISTRICT OF NEWFOUNDLAND AND LABRADOR
Index to Financial Statements
31 March 1980

Balance Sheet Statement 1
Statement of Income and Deficit " 2
Statement of Changes in Financial Position " 3

THE POWER DISTRIBUTION

NEWFOUNDLAND

Balance
31 March

	1980	1979
ASSETS		
Fixed Assets (Notes 2 and 4)		
Property, plant and equipment — at cost	$43,674,288	$37,812,474
Plant under construction	3,140,572	1,369,354
	46,814,860	39,181,828
Less: Grants in aid of construction	39,424,181	31,763,105
Net cost of property, plant and equipment	7,390,679	7,418,723
Less: Accumulated depreciation	4,041,127	3,753,483
Net fixed assets	3,349,552	3,665,240
Current Assets		
Cash and term deposits	1,806,394	1,947,548
Receivables		
Trade	1,270,380	1,184,019
Other	113,225	112,106
	1,383,605	1,296,125
Allowance for doubtful accounts	91,333	88,661
	1,292,272	1,207,464
Inventory at average cost	1,972,718	1,405,253
Diesel fuel and prepaid expenses	766,465	564,979
Total current assets	5,837,849	5,125,244
Total assets	$ 9,187,401	$8,790,484

STATEMENT 1

DISTRICT OF
AND LABRADOR

Sheet
1980

	1980	1979
LIABILITIES AND DEFICIT		
Long-term debt (Notes 5 and 6)		
Loans from Government of Canada	$3,371,804	$3,371,804
Debentures	3,608,827	3,608,827
Total long-term debt	6,980,631	6,980,631
Current liabilities		
Accounts payable and accrued liabilities	2,017,835	977,097
Accrued interest	228,956	240,635
Long-term debt payments due within one year	—	373,130
Due to Newfoundland and Labrador Hydro	967,932	830,036
Total current liabilities	3,214,723	2,420,898
Unexpended capital contributions	—	1,182,100
Deficit	(1,007,953)	(1,793,145)
Total liabilities and deficit	$9,187,401	$8,790,484

See accompanying notes

Signed on behalf of the Board

VICTOR YOUNG
Chairman

J.P. HENDERSON
Member

STATEMENT 2

THE POWER DISTRIBUTION DISTRICT OF NEWFOUNDLAND AND LABRADOR

Statement of Income and Deficit

For the year ended 31 March 1980

	1980	1979
Revenue	$13,709,292	$11,897,265
Expenses		
Administrative and general	10,484,247	10,430,481
Power plant operating	8,644,817	7,212,576
Purchase of power	6,525,086	5,973,101
Depreciation	287,644	287,644
Interest long-term debt	213,767	435,148
Newfoundland Light and Power Company subsidy	82,671	67,970
	26,238,232	24,406,920
Less: Capitalized expenditure	924,132	611,848
	25,314,100	23,795,072
Loss for the year before subsidy	11,604,808	11,897,807
Less: Subsidy from Newfoundland and Labrador Rural Electricity Authority	12,390,000	11,960,000
Net income for the year	785,192	62,193
Deficit		
Beginning of year as previously reported	(1,793,145)	(2,007,066)
Adjustments of prior years' depreciation	—	151,728
As restated	(1,793,145)	(1,855,338)
End of year	$(1,007,953)	$(1,793,145)

See accompanying notes

STATEMENT 3

THE POWER DISTRIBUTION DISTRICT OF NEWFOUNDLAND AND LABRADOR

Statement of Changes in Financial Position

For the year ended 31 March 1980

	1980	1979
Source of funds		
From operations		
Net income	$ 785,192	$ 62,193
Depreciation	287,644	287,644
Gain on disposal of fixed assets	(11,396)	(66,616)
	1,061,440	283,221
Capital contributions (Note 4)	4,000,000	3,281,546
Contributions — other (Note 4)	2,528,975	67,960
Proceeds on disposal of fixed assets	10,596	68,529
	7,601,011	3,701,256
Use of funds		
Additions to fixed assets	7,682,231	2,911,892
Reduction in long-term debt	—	373,130
	7,682,231	3,285,022
Increase (decrease) in working capital	(81,220)	416,234
Working capital at beginning of year	2,704,346	2,288,112
Working capital at end of year	$2,623,126	$2,704,346

See accompanying notes

THE POWER DISTRIBUTION DISTRICT OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements

31 March 1980

1. Accounting Policies

Fixed Assets

The depreciation of plant in service is calculated on a straight line basis. This method is designed to amortize the cost, after deducting grants in aid of construction, of these facilities over their estimated useful lives. (20 years for diesel assets, 33 years for distribution assets).

Capitalized Expense

It is the policy of the Power Distribution District ("PDD") to capitalize a portion of operating costs as an estimate of the cost incurred in its function of providing services to capital construction projects. This allocation to the projects is determined monthly by calculating 10% of the capital costs incurred during the month.

2. Property, Plant and Equipment

	1980	1979
Hydro generating stations	$ 85,470	$ 85,470
Diesel generating stations	15,850,339	15,561,987
Distribution system	24,039,600	19,587,997
Sub-stations	1,427,657	—
Telecontrol	96,094	—
General properties	2,175,128	2,577,020
	$43,674,288	$37,812,474

A portion of diesel and distribution assets have not been contributed and consequently are being depreciated annually, as described in Note 1 above.

3. Long-Term Debt

Guaranteed as to principal and interest by the Province of Newfoundland except for debentures outstanding of $3,274,855 issued to Newfoundland Municipal Financing Corporation.

a. Debentures

These debentures bear interest at various rates from 5½% to 9½% and each loan is repayable by 15 to 20 equal annual installments including interest. The years of issue range from 1962 to 1971 and the years of maturity range from 1982 to 1990.

b. Loans from Government of Canada

These loans bear interest at various rates from 5¼% to 5 5/8% and each loan is repayable by 15 to 40 equal annual installments including interest. The years of issue range from 1967 to 1968 and the years of maturity range from 1981 to 2007.

4. Capital Contributions

Grants received during the year from the Newfoundland and Labrador Rural Electricity Authority, and contributions from customers, for capital projects amounted to $4,360,988. During the year a physical count of all the fixed assets was completed, resulting in a write-up of fixed assets and a corresponding increase in contributions, in the amount of $2,167,987.

5. Commitments

The Power Distribution District is contingently liable for capital commitments of $2,548,000.

6. Subsequent Event

Dated 30 April 1980, Order In Council number 443-'80 directed that effective 1 April 1980, all existing Long-Term Debt be absorbed by The Province of Newfoundland and that the remaining assets and liabilities be acquired by Newfoundland and Labrador Hydro. All future capital requirements of The Power Distribution District will be financed by Hydro.

The operating responsibilities of The Power Distribution District will continue to be managed by Newfoundland and Labrador Hydro and The Province of Newfoundland will continue to subsidize The Power Distribution District's operating costs. The legal entity of The Power Distribution District will be retained primarily as the vehicle through which operating subsidies can be provided from The Province of Newfoundland to The Power Distribution District.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Chairman and Members of the
Public Accountants' Licensing Board,
St. John's, Newfoundland.

I have examined the statement of receipts and disbursements of The Public Accountants' Licensing Board for the year ended 31 December 1980. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, this financial statement presents fairly the receipts and disbursements of the Board for the year ended 31 December 1980 prepared on a cash basis of accounting consistent with that of the preceding year.

R. E. GRUCHY, C.A.,
for J. E. RICHARDS,
Deputy Auditor General

St. John's, Newfoundland
21 January 1981

THE PUBLIC ACCOUNTANTS' LICENSING BOARD
Statement of Receipts and Disbursements
For the year ended 31 December 1980

	1980	1979
RECEIPTS		
Licences	$1,355	$1,120
Interest on certificate of deposit	373	256
Total receipts	1,728	1,376
DISBURSEMENTS		
Salary	600	600
Office supplies and expenses	285	947
Bank charges	6	3
Total disbursements	891	1,550
Excess of receipts over disbursements	837	(174)
Bank balances, 1 January		
Current account	120	1,550
Certificate of deposit	3,045	1,789
	3,165	3,339
Bank balances, 31 December		
Current account	584	120
Certificates of deposit	3,418	3,045
	$4,002	$3,165

Signed on behalf of The Public Accountants' Licensing Board

J. HALLEY
Chairman

DAVID R. BAIRD
Member

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AUDITORS' REPORT

To the Members of the
Board of Commissioners of Public Utilities

We have examined the balance sheet of Board of Commissioners of Public Utilities as at December 31, 1980 and the statements of revenue, expenditure and surplus and changes in cash position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

As outlined in Note 1 to the financial statements the Board follows the policy of writing off all capital expenditures to expense in the year of acquisition. In this respect the financial statements are not in accordance with generally accepted accounting principles.

In our opinion, except for the fact that capital expenditures are expensed in the year of acquisition as described in the preceding paragraph, these financial statements present fairly the financial position of the Board as at December 31, 1980 and the results of its operations and the changes in its cash position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

H. R. DOANE AND COMPANY
Chartered Accountants

St. John's, Newfoundland
March 23, 1981

BOARD OF COMMISSIONERS

Balance
December 31,

	1980	1979
ASSETS		
Current		
Cash and term deposits	$172,027	$175,251
Investments maturing within one year	15,000	15,000
Receivables		
Accrued interest	1,769	2,594
Hearing costs	3,319	2,186
Other (less allowance for doubtful accounts of $8,560; 1979 - $6,78[illegible])	57,260	49,590
Prepaid expenses	2,677	1,935
	252,052	246,556
Investments (Note 2)	45,025	45,025
	$297,077	$291,581

OF PUBLIC UTILITIES

Sheet
1980

LIABILITIES	1980	1979
Current		
Payables and accruals	$ 55,366	$ 41,631
Motor carriers' deposits	10,712	7,991
Hearing cost deposits	6,880	5,760
	72,958	55,382
SURPLUS		
Surplus	224,119	236,199
	$297,077	$291,581

On behalf of the Board

______________________________ Chairman

______________________________ Vice-Chairman

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Statement of Revenue, Expenditure and Surplus
Year ended December 31, 1980

	1980	1979
Revenue		
Assessments	$396,710	$359,955
Certificates — motor carriers	410,194	395,406
Fines	22,234	16,789
Hearings	20,550	15,910
Investment income	36,281	31,204
Special recovery	18,564	22,783
Sundry	28,542	22,676
	933,075	864,723
Expenditure		
Advertising and notices	533	1,689
Doubtful accounts	1,775	4,900
Financial and actuarial advisors	30,096	44,395
Furniture and equipment purchased	29,879	1,491
Group life and health insurance	3,474	3,350
Inspection supplies and equipment	5,335	827
Insurance	4,997	4,178
License plates	4,672	4,238
Office supplies and printing	46,524	49,570
Pension contributions	26,381	23,470
Pension payments	14,604	13,153
Postage	6,537	6,510
Professional fees	2,600	2,000
Rent	87,450	71,636
Salaries	539,316	503,001
Solicitors' fees	24,531	18,000
Sundry	3,551	3,430
Telephone and telegraph	20,513	16,820
Travelling	48,243	36,715
Unemployment insurance	6,649	5,607
Vehicle operating	12,825	11,274
Vehicles purchased	24,670	13,641
	945,155	839,895
Excess of expenditure over revenue	(12,080)	24,828
Surplus, beginning of year	236,199	211,371
Surplus, end of year	$224,119	$236,199

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Statement of Changes in Cash Position
Year ended December 31, 1980

	1980	1979
Source		
Excess of revenue over expenditure		$ 24,828
Decrease in prepaid expenses		4,679
Increase in payables and accruals	$ 13,735	
Increase in motor carriers' deposits	2,721	
Increase in hearing cost deposits	1,120	815
	17,576	30,322
Application		
Excess of expenditure over revenue	12,080	
Increase in receivables	7,978	4,634
Increase in prepaid expenses	742	
Decrease in payables and accruals		3,945
Decrease in motor carriers' deposits		4,011
	20,800	12,590
Increase (decrease) in cash	(3,224)	17,732
Cash, beginning of year	175,251	157,519
Cash, end of year	$172,027	$175,251

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Notes to Financial Statements

December 31, 1980

1 Accounting policy

The Board follows a policy of writing off all capital expenditures to expense in the year of acquisition

2 Investments, at cost

	Par Value	Cost
Province of Newfoundland and Labrador		
— 5½ % sinking fund debentures, maturing May 15, 1983	$10,000	$ 9,900
— 6¾ % sinking fund debentures, maturing January, 15, 1992	10,000	9,875
— 10% sinking fund debentures, maturing February, 17, 1986	25,000	25,250
	45,000	45,025
Canada Permanent Trust Company		
— 12¾ % serial debentures, maturing December 3, 1981	15,000	15,000
	$60,000	60,025
Less Amount maturing within one year		15,000
		$45,025

3 Commitments

The board has annual commitments for rentals of office space and equipment of approximately $102,800 for the year ending December 31, 1981 and varying amounts for the following four years

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

The Registrar of the Surprme Court
St John's, Newfoundland

In accordance with the provisions of Section 37(3) of The Judicature Act, Chapter 187, of the Revised Statutes of Newfoundland, 1970, I have examined the accompanying statements of Receipts and Payments of (A) Trust Accounts and (B) Supreme Court Funds of the Registrar of the Supreme Court for the year ended 31 March, 1976. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these statements present fairly the Receipts and Payments of the Trust Accounts and Supreme Court Funds of the Registrar of the Supreme Court for the year ended 31 March 1976 on a cash basis of accounting consistent with that of the preceding year.

J.F. McGRATH, C.A.
for J.E. RICHARDS
Deputy Auditor General

St John's
7 November 1980

REGISTRAR OF THE SUPREME COURT

(A) TRUST ACCOUNTS (Note 1)

Statement of Receipts and Payments
For the year ended 31 March 1976

Receipts

Bank balance 31 March, 1975		$ 898,748
Receipts on Capital account		1,331,827
Receipts on Current account:		
Income on Investments	$166,761	
Bank interest	60,176	
Rents	2,469	
Pensions and salary	140,288	
Government assistance	144,643	
Other	3,711	518,048
		$2,748,623

Payments

Payments on Capital account		$1,298,140
Payments on Current account:		
Maintenance	$303,993	
Legal fees	31,630	
Property taxes	2,283	
Income taxes	2,876	
Registrar's commission	28,075	
Insurance and repairs	2,593	
Revenue distribution	76,241	
Other	1,241	448,932
Bank balance 31 March 1976		1,001,551
		$2,748,623

See accompanying notes

EDWARD O'LEARY
Registrar

REGISTRAR OF THE SUPREME COURT

(B) Supreme Court Funds (Note 2)
Statement of Receipts and Payments
For the year ended 31 March 1976

Receipts

Balance, beginning of the year	$173,026
Amounts received into Court Funds	208,501
Bank interest	14,311
	$395,838

Payments

Amounts paid out of Court Funds:	
On account of principal	$144,799
On account of interest	4,253
	$149,052
Balance, end of the year	246,786
	$395,838

See accompanying notes

EDWARD O'LEARY
Registrar

REGISTRAR OF THE SUPREME COURT

Notes to Financial Statements

31 March 1976

1. **Trust Accounts**

Trust accounts include the money and other assets of persons for whom the Registrar of the Supreme Court has been appointed guardian and custodian, and includes

(a) Mentally incompetent persons
(b) Estates
(c) Minors

2. **Supreme Court Funds**

Supreme Court Funds consist mainly of money received by the Registrar of the Supreme Court from Court cases held under the following Acts and Regulations.

(a) The Judicature Act
(b) The Expropriation Act
(c) The Unsatisfied Judgement Fund
(d) The Insurance Act
(e) The Real Estate Trading Act

3. **Securities and Real Estate**

In addition to the balances shown on statement A Trust Accounts, the following securities and real estate were held at 31 March, 1976.

(a) Bonds, at market value	$1,835,414
(b) Stocks, at market value	216,822
(c) Real estate, value at date of death or at date of appointment of Registrar of Supreme Court as custodian	728,517
(d) Other investments at market value	56,571
	$2,837,324

4. **Comparative Figures**

Comparative figures for the year ended 31 March, 1975 have not been included because of certain changes made in the statements presentations for year ended 31 March, 1976.

DEPARTMENT OF THE AUDITOR GENERAL

St. John's, Newfoundland

AUDITOR'S REPORT

The Registrar of the Supreme Court of Newfoundland,
St. John's, Newfoundland

In accordance with the provisions of Section 37(3) of The Judicature Act, Chapter 187, of the Revised Statutes of Newfoundland, 1970, I have examined the accompanying statements of Receipts and Disbursements of (A) Trust Accounts and (B) Supreme Court Funds of the Registrar of the Supreme Court of Newfoundland for the year ended 31 March 1977. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these statements present fairly the Receipts and Disbursements of the Trust Accounts and Supreme Court Funds of the Registrar of the Supreme Court of Newfoundland for the year ended 31 March 1977 on a cash basis of accounting consistent with that of the preceding year.

J.F. McGRATH, C.A.,
Auditor General.

St. John's
15 May 1981

STATEMENT A

REGISTRAR OF THE SUPREME COURT OF NEWFOUNDLAND

Trust Accounts

Statements of Receipts and Disbursements

For the year ended 31 March 1977

	1977	1976
RECEIPTS		
Capital account	$1,154,037	$1,331,827
Current account		
Income from investments	232,350	166,761
Bank interest	66,791	60,176
Rent	2,550	2,469
Pensions and salaries	163,763	140,288
Government assistance	183,692	144,643
Other	5,466	3,711
	654,612	518,048
Total receipts	1,808,649	1,849,875
DISBURSEMENTS		
Capital account	1,213,482	1,298,140
Current account		
Maintenance	364,493	303,993
Legal fees	64,605	31,630
Property taxes	2,300	2,283
Income taxes	149	2,876
Registrar's commission	46,109	28,075
Insurance and repairs	1,114	2,593
Revenue distribution	55,891	76,241
Other	860	1,241
	535,521	448,932
Total disbursements	1,749,003	1,747,072
Excess of receipts over disbursements	59,646	102,803
Bank balance, beginning of year	1,001,551	898,748
Bank balance, end of year	$1,061,197	$1,001,551

See accompanying notes

EDWARD O'LEARY
Registrar

STATEMENT B

REGISTRAR OF THE SUPREME COURT OF NEWFOUNDLAND

Supreme Court Funds
Statement of Receipts and Disbursements
For the year ended 31 March 1977

	1977	1976
RECEIPTS		
Amounts received into court funds	$203,209	$208,501
Bank interest	16,881	14,311
Total receipts	220,090	222,812
DISBURSEMENTS		
Principal	207,313	144,799
Interest	4,236	4,253
Total Disbursements	211,549	149,052
Excess of receipts over disbursements	8,541	73,760
Bank balance, beginning of year	246,786	173,026
Bank balance, end of year	$255,327	$246,786

See accompanying notes

EDWARD O'LEARY
Registrar

REGISTRAR OF THE SURPRME COURT OF NEWFOUNDLAND

Notes to Financial Statements

31 March 1977

1 **Trust Accounts**

The Registrar of the Supreme Court of Newfoundland, in a number of cases, is appointed by the Court as administrator of the estate of a deceased person or as guardian of the estate of a minor or a mentally incompetent person. The trust accounts of the Registrar include money and other assets held on behalf of such estates or persons. As at 31 March 1977 the total amounts held in trust by the Registrar were as follows:

(a) Mentally incompetent persons	$ 699,184
(b) Deceased persons estates	2,345,717
(c) Minors	1,549,796
	$4,594,697

2 **Assets**

The assets held by the Registrar of the Supreme Court of Newfoundland as at 31 March 1977 are as follows:

		On Behalf Of		
	Total	Mentally Incompetent Persons	Deceased Persons Estates	Minors
Bank balance	$1,061,197	$275,497	$ 636,778	$ 148,922
Bonds— at market value	2,348,177	323,205	705,322	1,319,650
Securities— at market value	346,364	2,039	265,601	78,724
Real Estate at value at date of death or date of appointment	783,516	61,500	719,516	2,500
Other assets— at market value	55,443	36,943	18,500	—
Total assets held	$4,594,697	$699,184	$2,345,717	$1,549,796

3 **Supreme Court Funds**

Supreme Court Funds consist mainly of money received by the Registrar of the Supreme Court of Newfoundland from Court cases held under the following Acts and Regulations.

(a) The Judicature Act
(b) The Expropriation Act
(c) The Unsatisfied Judgement Fund
(d) The Insurance Act
(e) The Real Estate Trading Act

4 Supreme Court Fund Assets

The following is an analysis of the bank balance as at 31 March 1977:

(a)	Balance outstanding on account of sums which have been paid into Supreme Court Funds and have not yet been distributed	$179,896
(b)	Interest earned over a period of years which has not been allocated for distribution	75,431
		$255,327

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

The Registrar of the Supreme Court of Newfoundland
St John's, Newfoundland

In accordance with the provisions of Section 37(3) of the Judicature Act, Chapter 187 of the Revised Statutes of Newfoundland, 1970, I have examined the balance sheet of the Registrar of the Supreme Court of Newfoundland as at 31 March 1978 and the statements of receipts and disbursements of trust accounts and supreme court funds for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Registrar of the Supreme Court of Newfoundland as at 31 March 1978 and the receipts and disbursements of trust accounts and supreme court funds for the year then ended in accordance with the stated accounting policies applied on a basis consistent with that of the preceding year.

J F McGRATH, C A
Auditor General

St John's
31 August 1981

REGISTRAR OF THE SUPREME

Balance
As at 31 March

	1978	1977
ASSETS		
Cash		
Trust accounts, Statement 2	$1,014,764	$1,061,197
Supreme Court funds, Statement 3	516,666	255,327
	1,531,430	1,316,524
Bonds, at market value, cost not determinable	2,988,575	2,348,177
Securities, at market value, cost not determinable	307,180	346,364
Real Estate, at value at the date of death or date of appointment of the Registrar as custodian	818,117	783,516
Other assets, at market value, cost not determinable	57,762	55,443
Total assets	$5,703,064	$4,850,024

STATEMENT I

COURT OF NEWFOUNDLAND

Sheet
1978

LIABILITIES AND TRUST EQUITY

LIABILITIES

	1978	1977
Supreme Court funds, balance held pending settlement of various cases	$ 516,666	$ 255,327
TRUST EQUITY		
Mentally incompetent persons	915,088	699,184
Deceased persons	2,289,444	2,345,717
Minors	1,981,866	1,549,796
Total trust equity	5,186,398	4,594,697
Total liabilities and trust equity	$5,703,064	$4,850,024

See accompanying notes

EDWARD O'LEARY
Registrar

STATEMENT 2

REGISTRAR OF THE SUPREME COURT OF NEWFOUNDLAND TRUST ACCOUNTS

Statement of Receipts and Disbursements
For the year ended 31 March 1978

	1978	1977
RECEIPTS		
Capital account	$1,910,236	$1,154,037
Current account		
Income from investments	259,547	232,350
Bank interest	62,692	66,791
Rent	277	2,550
Pensions and salaries	141,984	163,763
Government assistance	194,373	183,692
Other	44,545	5,466
	703,418	654,612
Total receipts	2,613,654	1,808,649
DISBURSEMENTS		
Capital account	2,061,573	1,278,087
Current account		
Maintenance	421,394	364,493
Property taxes	2,913	2,300
Income taxes	11,900	149
Registrar's commission	38,608	46,109
Insurance and repairs	2,880	1,114
Revenue distribution	108,14[illegible]	55,891
Other	12,672	860
	598,514	470,916
Total disbursements	2,660,087	1,749,003
Excess of receipts over disbursements	(46,433)	59,646
Bank balance, beginning of year	1,061,197	1,001,551
Bank balance, end of year	$1,014,764	$1,061,197

See accompanying notes

EDWARD O'LEARY
Registrar

STATEMENT 3

REGISTRAR OF THE SUPREME COURT OF NEWFOUNDLAND

Supreme Court Funds

Statement of Receipts and Disbursements

For the year ended 31 March 1978

	1978	1977
RECEIPTS		
Amounts received from court cases	$367,711	$203,209
Bank interest	14,993	16,881
Total receipts	382,704	220,090
DISBURSEMENTS		
Principal	116,147	207,313
Interest	5,218	4,236
Total disbursements	121,365	211,549
Excess of receipts over disbursements	261,339	8,541
Bank balance, beginning of year	255,327	246,786
Bank balance, end of year	$516,666	$255,327

See accompanying notes

EDWARD O'LEARY

Registrar

REGISTRAR OF THE SUPREME COURT OF NEWFOUNDLAND

Notes to the Financial Statements

31 March 1978

1. **Accounting policies**

a. **General**

The Registrar of the Supreme Court of Newfoundland administers estates of deceased persons when appointed personal representative by the court and administers estates of minors and mentally incompetent persons when appointed by the court or by virtue of Section 20 of the Mentally Incompetent Persons' Estates Act. The Registrar also has custody of funds paid into the Supreme Court in pending actions as well as funds paid into court or to the Registrar under various statutes and these funds are accounted for herein under the heading "Supreme Court Funds".

Individual records are maintained for each estate which indicate the value of assets held except where such value is not readily determinable and, in such cases, a list of the assets is provided. Generally, assets are held for each estate on an individual basis. However, for purposes of financial statement presentation like assets have been grouped.

b. **Valuation of assets**

1. Bonds are held on behalf of each individual estate and are recorded at market value at year end. This category generally includes such securities as Canada Savings Bonds and Bank and Trust Company Guaranteed Investment Certificates purchased at current value to provide interest income.

2. Securities include certain stocks and bonds owned by the estates at the dates of appointment of the Registrar. The value of such securities at those dates was not determined and no reasonable estimate can readily be made of such value. Therefore, the values provided are estimates of current value.

3. The value of Real Estate is the estimated value at the date of death in the case of estates of deceased persons and at the date of appointment in the case of estates of minors and mentally incompetent persons. Such valuations have been determined over many years. In view of the cost necessary to provide current appraisals of Real Estate, estimates have not been made of the market value of these assets at year end.

4. Other assets include numerous items held by the estates at the dates of appointment of the Registrar. The value of such assets at those dates were actual market value or, where actual market values are not readily available, estimates of market values.

c. **Recognition of income and expenses**

The records of the Registrar are maintained on a cash basis and no provision is made for the accrual of revenue or expenditure at the beginning or end of the period.

The office of the Registrar of the Supreme Court of Newfoundland, for administrative purposes, operates as a division of the Department of Justice, Therefore, expenses related to salaries, accommodations, and administration are absorbed by the Department of Justice and no provision has been made in these financial statements for the costs of such items.

2. **Trust accounts**

The Registrar of the Supreme Court of Newfoundland, in certain cases, is appointed by the court as personal representative of the estates of deceased persons or as guardian of estates of minors or mentally incompetent persons. The trust accounts of the Registrar include money and other assets held on behalf of such estates.

A detailed breakdown of the assets held by the Registrar of the Supreme Court of Newfoundland as personal representative of the estates of deceased persons or guardian of the estates of minors or mentally incompetent persons as at 31 March 1978 is as follows:

	Total	Mentally Incompetent Persons	On behalf of Deceased Persons	Minors
Bank balance	$1,014,764	$171,128	$ 716,651	$ 126,985
Bonds— at market value	2,988,575	648,673	571,952	1,767 950
Securities— at market value	307,180	2,025	220,724	84,431
Real Estate at value at date of death or date of appointment	818,117	51,500	764,117	2,500
Other assets— at market value	57,762	41,762	16,000	—
Total assets held	$5,186,398	$915,088	$2,289,444	$1,981,866

3. Supreme Court funds

Supreme Court funds consist mainly of money received by the Registrar of the Supreme Court of Newfoundland from court cases held under, inter alia, the following Acts and Regulations thereunder:

(a) The Judicature Act
(b) The Expropriation Act
(c) The Unsatisfied Judgment Fund
(d) The Insurance Act
(e) The Real Estate Trading Act
(f) The Direct Sellers Act
(g) The Local Government Act, 1972
(h) The Public Utilities (Acquisition of Lands) Act

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

The Registrar of the Supreme Court of Newfoundland
St. John's, Newfoundland

In accordance with the provisions of Section 37(3) of the Judicature Act, Chapter 187 of the Revised Statutes of Newfoundland, 1970, I have examined the balance sheet of the Registrar of the Supreme Court of Newfoundland as at 31 March 1979 and the statements of receipts and disbursements of trust accounts and supreme court funds for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Registrar of the Supreme Court of Newfoundland as at 31 March 1979 and the receipts and disbursements of trust accounts and supreme court funds for the year then ended in accordance with the stated accounting policies applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General.

St. John's
22 October 1981

REGISTRAR OF THE SUPREME

Balance
As at 31 March

	1979	1978
ASSETS		
Cash		
Trust accounts, Statement 2	$1,209,863	$1,014,764
Supreme Court funds, Statement 3	548,340	516,666
	1,758,203	1,531,430
Bonds, at market value, cost not determinable	3,783,903	2,988,575
Securities, at market value, cost not determinable	100,333	307,180
Real Estate, at value at the date of death or date of appointment of the Registrar as custodian	968,566	818,117
Other assets, at market value, cost not determinable	40,534	57,762
Total assets	$6,651,539	$5,703,064

STATEMENT 1

COURT OF NEWFOUNDLAND

Sheet
1979

LIABILITIES AND TRUST EQUITY

LIABILITIES

	1979	1978
Supreme Court funds, balance held pending settlement of various cases	$ 548,340	$ 516,666
TRUST EQUITY		
Mentally incompetent persons	1,042,014	915,088
Deceased persons	2,590,987	2,289,444
Minors	2,470,198	1,981,866
Total trust equity	6,103,199	5,186,398
Total liabilities and trust equity	$6,651,539	$5,703,064

See accompanying notes

EDWARD O'LEARY

Registrar

STATEMENT 2

REGISTRAR OF THE SUPREME COURT OF NEWFOUNDLAND TRUST ACCOUNTS

Statement of Receipts and Disbursements For the year ended 31 March 1979

	1979	1978
RECEIPTS		
Capital account	$2,091,043	$1,910,236
Current account		
Income from investments	282,482	259,547
Bank interest	60,922	62,692
Rent	500	277
Pensions and salaries	191,573	141,984
Government assistance	130,258	194,373
Other	110,705	44,545
	776,440	703,418
Total receipts	2,867,483	2,613,654
DISBURSEMENTS		
Capital account	1,953,396	2,061,573
Current account		
Maintenance	443,472	421,394
Property taxes	3,079	2,913
Income taxes	3,777	11,900
Registrar's commission	36,279	38,608
Insurance and repairs	1,937	2,880
Revenue distribution	201,742	108,147
Other	28,702	12,672
	718,988	598,514
Total disbursements	2,672,384	2,660,087
Excess of receipts over disbursements	195,099	(46,433)
Cash balance, beginning of year	1,014,764	1,061,197
Cash balance, end of year	$1,209,863	$1,014,764

See accompanying notes

EDWARD O'LEARY
Registrar

STATEMENT 3

REGISTRAR OF THE SUPREME COURT OF NEWFOUNDLAND

Supreme Court Funds
Statement of Receipts and Disbursements
For the year ended 31 March 1979

	1979	1978
RECEIPTS		
Amounts received from court cases	$128,104	$367,711
Bank interest	31,429	14,993
Total receipts	159,533	382,704
DISBURSEMENTS		
Principal	123,499	116,147
Interest	4,360	5,218
Total disbursements	127,859	121,365
Excess of receipts over disbursements	31,674	261,339
Cash balance, beginning of year	516,666	255,327
Cash balance, end of year	$548,340	$516,666

See accompanying notes

EDWARD O'LEARY
Registrar

REGISTRAR OF THE SUPREME COURT OF NEWFOUNDLAND

Notes to the Financial Statements
31 March 1979

1. **Accounting policies**

a. **General**

The Registrar of the Supreme Court of Newfoundland administers estates of deceased persons when appointed personal representative by the court and administers estates of minors and mentally incompetent persons when appointed by the court or by virtue of Section 20 of the Mentally Incompetent Persons' Estates Act. The Registrar also has custody of funds paid into the Supreme Court in pending actions as well as funds paid into court or to the Registrar under various statutes and these funds are accounted for herein under the heading "Supreme Court Funds".

Individual records are maintained for each estate which indicate the value of assets held except where such value is not readily determinable and, in such cases, a list of the assets is provided. Generally, assets are held for each estate on an individual basis. However, for purposes of financial statement presentation like assets have been grouped.

b. **Valuation of assets**

1. Bonds are held on behalf of each individual estate and are recorded at market value at year end. This category generally includes such securities as Canada Savings Bonds and Bank and Trust Company Guaranteed Investment Certificates purchased at current value to provide interest income.

2. Securities include certain stocks and bonds owned by the estates at the dates of appointment of the Registrar. The value of such securities at those dates was not determined and no reasonable estimate can readily be made of such value. Therefore, the values provided are estimates of current value.

3. The value of Real Estate is the estimated value at the date of death in the case of estates of deceased persons and at the date of appointment in the case of estates of minors and mentally incompetent persons. Such valuations have been determined over many years. In view of the cost necessary to provide current appraisals of Real Estate, estimates have not been made of the market value of these assets at year end.

4. Other assets include numerous items held by the estates at the dates of appointment of the Registrar. The value of such assets at those dates were actual market value or, where actual market values are not readily available, estimates of market values.

c. **Recognition of income and expenses**

The records of the Registrar are maintained on a cash basis and no provision is made for the accrual of revenue or expenditure at the beginning or end of the period.

The office of the Registrar of the Supreme Court of Newfoundland, for administrative purposes, operates as a division of the Department of Justice. Therefore, expenses related to salaries, accommodations, and administration are absorbed by the Department of Justice and no provision has been made in these financial statements for the costs of such items.

2. **Trust accounts**

The Registrar of the Supreme Court of Newfoundland, in certain cases, is appointed by the court as personal representative of the estates of deceased persons or as guardian of estates of minors or mentally incompetent persons. The trust accounts of the Registrar include money and other assets held on behalf of such estates.

A detailed breakdown of the assets held by the Registrar of the Supreme Court of Newfoundland as personal representative of the estates of deceased persons or guardian of the estates of minors or mentally incompetent persons as at 31 March 1979 is as follows:

	Total	Mentally Incompetent Persons	On behalf of Deceased Persons	Minors
Bank balance	$1,209,863	$216,897	$ 811,334	$ 181,632
Bonds— at market value	3,783,903	747,058	846,145	2,190,700
Securities— at market value	100,333	2,025	2,942	95,366
Real Estate at value at date of death or date of appointment	968,566	51,500	914,566	2,500
Other assets— at market value	40,534	24,534	16,000	—
Total assets held	$6,103,199	$1,042,014	$2,590,987	$2,470,198

3. Supreme Court funds

Supreme Court funds consist mainly of money received by the Registrar of the Supreme Court of Newfoundland from court cases held under, inter alia, the following Acts and Regulations thereunder:

(a) The Judicature Act
(b) The Expropriation Act
(c) The Unsatisfied Judgment Fund
(d) The Insurance Act
(e) The Real Estate Trading Act
(f) The Direct Sellers Act
(g) The Local Government Act, 1972
(h) The Public Utilities (Acquisition of Lands) Act

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland
AUDITOR'S REPORT

To The Chairman and Members,
St. John's Housing Authority,
St. John's, Newfoundland.

I have examined the balance sheet of The St. John's Housing Authority as at 31 December 1979 and the statements of income and expenditure and partnership for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Authority as at 31 December 1979 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

R.E. GRUCHY, C.A.,
for J.E. RICHARDS,
Deputy Auditor General.

St. John's, Newfoundland
15 August 1980

THE ST. JOHN'S HOUSING AUTHORITY
FEDERAL—PROVINCIAL RENTAL HOUSING PROJECTS
Index to Financial Statements
31 December 1979

Balance Sheet Statement 1

Statement of Income and Expenditure " 2

Partnership Account " 3

THE ST. JOHN'S
FEDERAL-PROVINCIAL RENTAL

Balance
As at 31 December

	1979	1978
ASSETS		
Cash	$ 42,814	$ 70,341
Rents receivable	230,817	199,003
Less: Allowance for doubtful accounts	182,341	148,236
	48,476	50,767
Accounts receivable	1,474	1,280
Office furniture and equipment	5,636	5,636
Less: Amounts expensed in year of acquisition	5,636	5,636
	—	—
Due from partnership — Statement 3	201,880	245,540
Total assets	$294,644	$367,928

STATEMENT 1

HOUSING AUTHORITY
HOUSING PROJECTS

Sheet
1979

LIABILITIES

	1979	1978
Accounts payable and accrued liabilities	$229,815	$223,126
Contract holdbacks payable	14,228	—
Due to Canada Mortgage and Housing Corporation	26,046	126,613
Due to Newfoundland and Labrador Housing Corporation	9,305	7,703
Prepaid rents	15,250	10,486
Total liabilities	$294,644	$367,928

See accompanying notes

Signed on behalf of the Authority

PAUL JOHNSON	D.J. O'NEILL
Chairman	Manager

STATEMENT 2

THE ST. JOHN'S HOUSING AUTHORITY
FEDERAL-PROVINCIAL RENTAL HOUSING PROJECTS
Statement of Income and Expenditure
For the year ended 31 December 1979

	1979	1978
INCOME		
Property rentals	$1,983,733	$1,881,301
EXPENDITURE		
Administrative	274,670	251,265
Property expenses:		
Interior painting	76,544	94,053
Modernization costs	166,350	24,425
Operating costs	669,420	622,159
Maintenance costs	529,581	606,446
Municipal taxes and services	368,479	319,971
Bad debt expense	31,531	38,053
	1,841,905	1,705,107
Interest and amortization for capital expenditure		
Interest	3,264,345	2,848,990
Amortization	159,880	148,888
	3,424,225	2,997,878
Total expenditure	5,540,800	4,954,250
Loss for year carried forward to Partnership Account — Statement 3	$3,557,067	$3,072,949

See accompanying notes

STATEMENT 3

THE ST. JOHN'S HOUSING AUTHORITY
FEDERAL-PROVINCIAL RENTAL HOUSING PROJECTS
Partnership Account
For the year ended 31 December 1979

	Canada Mortgage and Housing Corporation	Newfoundland and Labrador Housing Corporation	1979	1978
Due from (to) Partnership				
Balance, beginning of year	$ 126,420	$ 119,120	$ 245,540	$ 210,469
Add: Loss for the year Statement 2	2,667,801	889,266	3,557,067	3,072,949
Payments made to Partnership during the year	—	265,000	265,000	450,000
	2,794,221	1,273,386	4,067,607	3,733,418
Less: Interest and amortization for the year	2,514,929	909,296	3,424,225	2,997,878
Payments received from Partnership during the year	228,934	212,568	441,502	490,000
	2,743,863	1,121,864	3,865,727	3,487,878
Balance, end of year	$ 50,358	$ 151,522	$ 201,880	$ 245,540

See accompanying notes

THE ST. JOHN'S HOUSING AUTHORITY
FEDERAL-PROVINCIAL RENTAL HOUSING PROJECTS
Notes to Financial Statements
For the year ended 31 December 1979

1. Accounting policies

   (a) The Agreement between the Province and Canada Mortgage and Housing Corporation and The St. John's Housing Authority provides that The Authority operate and administer rental housing projects. The only fixed assets held by The Authority are office furniture and equipment which are expensed in the year of acquisition.

   (b) Performance deposits are required on contracts let, and are reflected under cash and offset by a liability.

2. Under Federal-Provincial agreements, Canada Mortgage and Housing Corporation and the Newfoundland and Labrador Housing Corporation have agreed to pay 75% and 25% respectively of any operating deficits incurred by The Authority.

3. The Authority is committed to pay annual instalments of principal and interest totalling $3,264,345 to the partnership (Canada Mortgage and Housing Corporation 75%, Newfoundland and Labrador Housing Corporation 25%) ranging from 21 to 49 years on various agreements. The liabilities on which these payments are made and the related assets have not been recorded in the accounts of The Authority because the various housing projects were constructed by the partnership.

   Annual instalments of principal and interest relating to certain Federal-Provincial Projects are based on estimated cost figures.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Chairman and Members,
St. John's Housing Authority,
St. John's, Newfoundland.

I have examined the balance sheet of The St. John's Housing Authority as at 31 December 1980 and the statements of income and expenditure and partnership for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Authority as at 31 December 1980 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.,
Auditor General.

St. John's, Newfoundland
19 November 1981

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THE ST. JOHNS HOUSING AUTHORITY
FEDERAL-PROVINCIAL RENTAL HOUSING PROJECTS
Index to Financial Statements
31 December 1980

Balance Sheet	STATEMENT 1
Statement of Income and Expenditure	" 2
Partnership Account	" 3

THE ST. JOHN'S FEDERAL-PROVINCIAL

Balance
As at 31 December

	1980	1979
ASSETS		
Cash	$ 84,100	$ 42,814
Rents receivable	322,216	230,817
Less: allowance for doubtful accounts	(228,860)	(182,341)
	93,356	48,476
Accounts receivable	1,634	1,474
Office furniture and equipment	5,636	5,636
Less: Amounts expensed in year of acquisition	(5,636)	(5,636)
	—	—
Due from partnership - Statement 3	423,414	201,880
Total assets	$ 602,504	$ 294,644

STATEMENT I

HOUSING AUTHORITY
RENTAL HOUSING PROJECTS

Sheet
1980

	1980	1979
LIABILITIES		
Accounts payable and accrued liabilities	$ 507,933	$ 229,815
Contract holdbacks payable	36,651	14,228
Due to Canada Mortgage and Housing Corporation	13,396	26,046
Due to Newfoundland and Labrador Housing Corporation	24,662	9,305
Prepaid rents	19,862	15,250
Total liabilities	$ 602,504	$ 294,644

See accompanying notes

Signed on behalf of the Authority

Chairman

TERENCE M. SANFORD
Member T.M.S.

STATEMENT 2

THE ST. JOHN'S HOUSING AUTHORITY
FEDERAL-PROVINCIAL RENTAL HOUSING PROJECTS

Statement of Income and Expenditure
For the year ended 31 December 1980

	1980	1979
INCOME		
Property rentals	$2,347,513	$1,983,733
EXPENDITURE		
Administrative	327,174	274,670
Property expenses:		
Exterior painting	85,677	—
Interior painting	38,494	76,544
Modernization costs	913,888	166,350
Operating costs	970,449	669,420
Maintenance costs	487,802	529,581
Municipal taxes and services	472,502	368,479
Bad debt expense	44,061	31,531
	3,012,873	1,841,905
Interest and amortization for capital expenditure		
Interest	3,924,220	3,264,345
Amortization	174,019	159,880
	4,098,239	3,424,225
Total expenditure	7,438,286	5,540,800
Loss for year carried forward to Partnership Account - Statement 3	$5,090,773	$3,557,067

See accompanying notes

STATEMENT 3

THE ST. JOHN'S HOUSING AUTHORITY
FEDERAL-PROVINCIAL RENTAL HOUSING PROJECTS
Partnership Account
For the year ended 31 December 1980

	Canada Mortgage and Housing Corporation	Newfoundland and Labrador Housing Corporation	1980	1979
Due from (to) Partnership				
Balance, beginning of year	$ 50,358	$ 151,522	$ 201,880	$ 245,540
Add:				
Loss for the year Statement 2	3,818,079	1,272,694	5,090,773	3,557,067
Payments to the partnership for the year	—	—	—	265,000
	3,868,437	1,424,216	5,292,653	4,067,607
Less:				
Interest and amortization for the year	3,014,208	1,084,031	4,098,239	3,424,225
Payments received from Partnership during the year	801,384	(30,384)	771,000	441,502
	3,815,592	1,053,647	4,869,239	3,865,727
Balance, end of year	$ 52,845	$ 370,569	$ 423,414	$ 201,880

See accompanying notes

THE ST. JOHN'S HOUSING AUTHORITY
FEDERAL-PROVINCIAL RENTAL HOUSING PROJECTS

Notes to Financial Statements
For the year ended 31 December 1980

1. **Accounting Policies**

   (a) The Agreement between the Province and Canada Mortgage and Housing Corporation and The St. John's Housing Authority provides that The Authority operate and administer rental housing projects. The only fixed assets held by The Authority are office furniture and equipment which are expensed in the year of acquisition.

   (b) Performance deposits are required on contracts let, and are reflected under cash and offset by a liability.

2. Under Federal-Provincial agreements, Canada Mortgage and Housing Corporation and the Newfoundland and Labrador Housing Corporation have agreed to pay 75% and 25% respectively of any operating deficits incurred by The Authority.

3. The Authority is committed to pay annual instalments of principal and interest totalling $4,098,239 to the partnership (Canada Mortgage and Housing Corporation 75%, Newfoundland and Labrador Housing Corporation 25%) ranging from 21 to 49 years on various agreements. The liabilities on which these payments are made and the related assets have not been recorded in the accounts of The Authority because the various housing projects were constructed by the partnership.

   Annual instalments of principal and interest relating to certain Federal-Provincial Projects are based on estimated cost figures.

4. **Subsequent event**

   Order-In-Council 735-'81 ordered that the powers, duties and responsibilities of the St. John's Housing Authority be transferred to the Newfoundland and Labrador Housing Corporation. Pursuant to the order, integration with the Newfoundland and Labrador Housing Corporation took place on July 1, 1981.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders
St. John's Infirmary Building
Corporation Limited
St. John's, Newfoundland

I have examined the balance sheet of the St. John's Infirmary Building Corporation Limited as at 31 March 1980 and the statement of income and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the corporation as at 31 March 1980 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
26 February 1981

ST. JOHN'S INFIRMARY BUILDING

Balance
31 March

	1980	1979
ASSETS		
Current assets:		
Accounts receivable	$ 1,366	$ 961
Accrued rent	9,955	9,955
Prepaid expenses	4,034	4,425
	15,355	15,341
Fixed assets, at cost (Note 4)		
Land	105,587	105,587
Building and equipment	4,103,074	4,103,074
	4,208,661	4,208,661
Less: Government grand in aid of construction	24,452	24,452
	4,184,209	4,184,209
Intangible assets:		
Organization expenses	254	254
Sinking fund assets held by trustee		
Cash	38,053	43,727
Investments, at cost (Note 2)	2,235,090	1,951,566
Accrued interest	12,173	10,399
	2,285,316	2,005,692
Total assets	$6,485,134	$6,205,496

STATEMENT I

CORPORATION LIMITED

Sheet
1980

		1980	1979
LIABILITIES			
Current liabilities:			
Accrued interest on bonds		$ 9,955	$ 9,955
Deferred revenue — per contra		4,034	4,425
		13,989	14,380
Long-term debt: (Note 4)			
5¾ % First Mortgage Sinking Fund Bonds dated 15 March 1965, maturing 15 March 1990		4,155,000	4,155,000
Total liabilities		4,168,989	4,169,380
SHAREHOLDERS' EQUITY			
Share capital:			
Authorized 100 common shares of par value of $1,000 each	$100,000		
Issued and fully paid — 3 shares		3,000	3,000
Retained earnings		27,829	27,424
Sinking fund balance		2,285,316	2,005,692
Total shareholders' equity		2,316,145	2,036,116
Total liabililties and shareholders' equity		$6,485,134	$6,205,496

See accompanying notes

Signed on behalf of the Board of Directors

D.G. NORRIS
Director

GILBERT G. GILL
Director

STATEMENT 2

ST. JOHN'S INFIRMARY BUILDING CORPORATION LIMITED

Statement of Income and Retained Earnings
For the year ended 31 March 1980

	1980	1979
INCOME		
Province of Newfoundland:		
Rental of St. John's Infirmary	$340,981	$339,622
Interest income	405	687
	341,386	340,309
EXPENDITURE		
Debt charges:		
Payments to trustee for bondholders on account of principal and interest on First Mortgage Bonds:		
Principal	88,281	88,281
Interest	238,913	238,913
	327,194	327,194
Trustee's fees and sundry	5,329	3,827
Fire insurance expense	8,458	8,601
	340,981	339,622
Excess of revenue over expenditure	405	687
Retained earnings, beginning of year	27,424	26,737
Retained earnings, end of year	$ 27,829	$ 27,424

See accompanying notes

ST. JOHN'S INFIRMARY BUILDING CORPORATION LIMITED

Notes to Financial Statements

For the year ended 31 March 1980

1. **Accounting policies**

(a) **Fixed assets**

Fixed assets are not being depreciated but payments of principal and interest on long-term debt are expensed in the financial statements.

Certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholders and which were paid for by the Lessee, are not included in these financial statements.

(b) **Interest income**

All payments on account of principal and interest on the First Mortgage Bonds are paid into a Debt Service Fund. The interest on the Fund is recorded as interest income and is periodically paid to the Province as a distribution of surplus.

Interest earned on sinking fund investments is reinvested in the sinking fund and thus is not shown as income of the corporation.

(c) **Rental revenue**

The rental revenue received from the Province is equal to the annual amount required to be paid on account of principal and interest, and other expenses. Thus, accrued rent and deferred revenue, equal accrued interest on bonds and prepaid expenses of the corporation.

ST. JOHN'S INFIRMARY BUILDING CORPORATION LIMITED

Notes to Financial Statements

For the year ended 31 March 1980

2. **Sinking fund investments**

	Principal Amount	Market Value	Cost
Province of Newfoundland —			
Various issues maturing October 1980 to September 1994	$ 450,000	$ 308,924	$ 455,208
Grace Hospital Extension Corporation Limited—			
6¼ % First Mortgage Bonds maturing 1 February 1991	224,000	125,733	188,075
St. John's Infirmary Building Corporation Limited —			
5¾ % bond maturing 15 March 1990	1,000,000	505,430	698,500
Guaranteed income certificate	893,307	893,307	893,307
	$2,567,307	$1,833,394	$2,235,090

3. During each of the ensuing five years payments of $88,281 principal and $238,913 interest are required to be made to the Sinking Fund.

4. Fixed assets have been pledged as security for the long-term debt.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders,
Technical College Building Corporation Limited,
St. John's, Newfoundland

I have examined the balance sheet of the Technical College Building Corporation Limited as at 31 March 1980 and the statement of income and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the corporation as at 31 March 1980 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the precedinig year.

R.E. GRUCHY, C.A.
for J.F. McGRATH, C.A.,
Auditor General.

St. John's, Newfoundland
4 March 1981

TECHNICAL COLLEGE BUILDING

Balance
31 March

ASSETS

	1980	1979
Current assets:		
Accounts receivable	$ 2,561	$ 911
Accrued rent	150,000	150,000
Prepaid expenses	3,985	3,590
	156,546	154,501
Fixed assets, at cost: (Note 4)		
Land	56,847	56,847
Buildings	7,073,331	7,073,331
Equipment	2,008,006	2,008,006
	9,138,184	9,138,184
Less: Government grant in aid of construction	3,135,520	3,135,520
	6,002,664	6,002,664
Intangible assets:		
Organization expenses	336	336
Sinking fund assets held by trustee:		
Cash	16,944	35,265
Investments, at cost (Note 2)	4,597,300	4,038,828
Accrued interest on investments	71,169	70,525
	4,685,413	4,144,618
Total assets	$10,844,959	$10,302,119

STATEMENT 1

CORPORATION LIMITED

Sheet
1980

LIABILILTIES

		1980	1979
Current liabilities:			
Accrued interest on bonds		$ 150,000	$ 150,000
Deferred revenue — per contra		3,985	3,590
		153,985	153,590
Long-term debt: (Note 4)			
6% First Mortgage Sinking Fund Bonds, dated 1 November 1962, maturing 1 May 1988		6,000,000	6,000,000
Total liabilities		6,153,985	6,153,590
SHAREHOLDERS' EQUITY			
Share capital:			
Authorized:			
100 common shares of par value of $1,000 each	$100,000		
Issued and fully paid:			
3 shares		3,000	3,000
Retained earnings		2,561	911
Sinking fund balance		4,685,413	4,144,618
Total shareholders' equity		4,690,974	4,148,529
Total liabilities and shareholders' equity		$10,844,959	$10,302,119

See accompanying notes

Signed on behalf of the Board of Directors

D.G. NORRIS
Director

GILBERT G. GILL
Director

STATEMENT 2

TECHNICAL COLLEGE BUILDING CORPORATION LIMITED

Statement of Income and Retained Earnings

For the year ended 31 March 1980

	1980	1979
REVENUE		
Province of Newfoundland		
Rental of College of Trades and Technology	$534,652	$530,480
Interest income	1,650	466
	536,302	530,946
EXPENDITURE		
Debt charges:		
Payments to trustee for bondholders on account of principal and interest on First Mortgage Bonds:		
Principal	150,000	150,000
Interest	360,000	360,000
	510,000	510,000
Trustee's fees and sundry	7,528	5,676
Fire insurance premiums	17,124	14,804
	534,652	530,480
Net income	1,650	466
Retained earnings, beginning of year	911	445
Retained earnings, end of year	$ 2,561	$ 911

See accompanying notes

TECHNICAL COLLEGE BUILDING CORPORATION LIMITED

Notes to Financial Statements

For the year ended 31 March 1980

1. **Accounting Policies**

(a) **Fixed assets**

Fixed assets are not being depreciated, but payments of principal and interest on long-term debt are expensed in the financial statements. Also certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholders and which were paid for by the Lessee, are not included in these accounts.

(b) **Interest income**

All payments on account of principal and interest on the First Mortgage Bonds are paid into a Debt Service Fund. The interest on the Fund is recorded as interest income and is periodically paid to the Province as a distribution of retained earnings.

(c) **Rental revenue**

The rental revenue received from the Province is equal to the annual amount required to be paid on account of principal and interest, and other expenses. Thus, accrued rent and deferred revenue equal accrued interest on bonds and prepaid expenses of the corporation.

2. **Sinking Fund Investments**

Investments held at 31 March 1980 were:

	Principal Amount	Market Value	Cost
Province of Newfoundland — various issues maturing October 1980 to September 1994	$1,716,000	$1,165,195	$1,580,176
Newfoundland and Labrador Power Commission debentures maturing April 1992 and March 1999	264,000	177,462	251,214
Montreal Trust Company deposit receipts	1,650,510	1,650,510	1,650,510
Technical College Building Corporation Limited — 6% first mortgage sinking fund bonds maturing 1 May 1988	1,500,000	867,510	1,115,400
	$5,130,510	$3,860,677	$4,597,300

3. During each of the ensuing five years principal and interest payments of $150,000 and $360,000 respectively will be required by the Sinking Fund to retire the 6% First Mortgage Sinking Fund Bonds.

4. The fixed assets have been pledged as security for the long-term debt.

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders
Vocational Schools (Western)
Building Corporation Limited
St. John's, Newfoundland

I have examined the balance sheet of the Vocational Schools (Western) Building Corporation Limited as at 31 March 1980 and the statement of income and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the corporation as at 31 March 1980 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

R.E. GRUCHY, C.A.
for J.E. RICHARDS
Deputy Auditor General

St. John's, Newfoundland
11 March 1981

VOCATIONAL SCHOOLS (WESTERN)

Balance
31 March

	1980	1979
ASSETS		
Current assets:		
Accounts receivable	$ 1,527	$ 1,197
Prepaid expenses	2,014	1,814
	3,541	3,011
Fixed assets, at cost: (Note 3)		
Vocational schools:		
Corner Brook —		
Land	100,000	100,000
Building	3,184,332	3,184,332
Equipment	541,776	541,776
	3,826,108.	3,826,108
Grand Falls —		
Land	66,000	66,000
Building	2,242,648	2,242,648
Equipment	318,586	318,586
	2,627,234	2,627,234
	6,453,342	6,453,342
Less: Government grant in aid of construction	2,340,152	2,340,152
	4,113,190	4,113,190
Intangible assets:		
Organization expenses	276	276
Total assets	$4,117,007	$4,116,477

BUILDING CORPORATION LIMITED

STATEMENT I

Sheet
1980

		1980	1979
LIABILITIES			
Current liabilities:			
Accounts payable — Province of Newfoundland		$ 80,569	$ 80,569
Deferred revenue — per contra		2,014	1,814
Current portion of long-term debt		197,000	186,000
		279,583	268,383
Long-term debt: (Notes 2 and 3)			
First Mortgage Sinking Fund Bonds:			
6% Series "B" dated 15 February 1963, maturing 31 March 1988		1,758,000	1,955,000
Total liabilities		2,037,583	2,223,383
SHAREHOLDERS' EQUITY			
Share capital:			
Authorized 100 common shares of par value of $1,000 each	$100,000		
Issued and fully paid 3 shares		3,000	3,000
Retained earnings		31,424	31,094
Capital contributions:			
Repayment of long-term debt by Province of Newfoundland		2,045,000	1,859,000
Total shareholders' equity		2,079,424	1,893,094
Total liabilities and shareholders' equity		$4,117,007	$4,116,477

See accompanying notes

Signed on behalf of the Board of Directors:

D.G. NORRIS
Director

GILBERT G. GILL
Director

STATEMENT 2

VOCATIONAL SCHOOLS (WESTERN) BUILDING CORPORATION LIMITED
Statement of Income and Retained Earnings
For the year ended 31 March 1980

	1980	1979
INCOME		
Province of Newfoundland		
Rental of Corner Brook and Grand Falls Vocational Schools	$321,710	$319,991
Interest income	1,850	1,197
	323,560	321,188
EXPENDITURE		
Debt charges:		
Payments to trustee for bondholders on account of principal and interest on First Mortgage Bonds:		
Principal	186,000	175,000
Interest	125,700	136,380
	311,700	311,380
Trustee's fees and sundry	1,356	1,356
Fire insurance premium	8,654	7,255
	321,710	319,991
Excess of revenue over expenditure	1,850	1,197
Retained earnings, beginning of year	31,094	30,307
	32,944	31,504
Amount paid to the Province	1,520	410
Retained earnings, end of year	$ 31,424	$ 31,094

See accompanying notes

VOCATIONAL SCHOOLS (WESTERN) BUILDING CORPORATION LIMITED

Notes to Financial Statements

For the year ended 31 March 1980

1. **Accounting policies**

   (a) Fixed assets

   Fixed assets are not being depreciated but payments of principal and interest on long-term debt are expensed in the financial statements.

   Certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholders and which were paid for by the Lessee, are not included in these accounts.

   (b) Interest income

   All payments on account of principal and interest on the First Mortgage Bonds are paid into a Debt Service Fund. The interest on the Fund is recorded as interest income and is periodically paid to the Province as a distribution of surplus.

   (c) Rental revenue

   The rental revenue received from the Province is equal to the annual amount required to be paid on account of principal and interest, and other expenses.

   Thus, deferred revenue equals prepaid expenses of the corporation.

2. Principal payments coming due on the First Mortgage Sinking Fund Bonds from 1980-1981 to 1984-1985 are $197,000; $209,000; $222,000; $235,000 and $250,000 respectively.

3. Fixed assets have been pledged as security for the long-term debt.

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AUDITORS' REPORT

To the Clerk of the Executive Council

We have examined the balance sheet of the Workers' Compensation Board of Newfoundland and Labrador as at December 31, 1980 and the provisional statement of revenue, expenditure and operating reserve and statement of changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Board as at December 31, 1980 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

H.R. Doane and Company
Chartered Accountants.

St. John's, Newfoundland
February 20, 1981

THE WORKERS'
OF NEWFOUNDLAND

Balance
December 31,

	1980	1979
ASSETS		
Current		
Cash	$ —	$ 1,048,907
Temporary investments, at cost	5,226,436	3,728,965
Receivables		
Assessments (less allowance for uncollectable assessments $397,401; 1979 - $305,076)	642,165	509,090
Interest	969,696	874,867
Self-insurers	104,972	174,065
Other	27,189	19,448
	6,970,458	6,355,342
Long term investments, at book value (Exhibit 5)	44,342,731	41,496,717
Building and furniture and fixtures (Note 2)	3,789,332	3,863,172
	$ 55,102,521	$ 51,715,231

COMPENSATION BOARD
AND LABRADOR

EXHIBIT 1

Sheet
1980

LIABILITIES

	1980	1979
Current		
Bank overdraft	$ 108,828	$ —
Payables and accruals		
Trade	63,660	28,840
New building		124,786
Occupational Health & Safety	195,701	154,285
Other		22,648
Due to employers	91,816	160,855
	460,005	491,414
Estimated liability for outstanding claims		
Compensation and medical aid applicable to the current year	5,397,316	4,544,253
Compensation and medical aid applicable to prior years	5,154,980	4,597,282
Liability for pension awards	28,434,180	26,651,130
	39,446,481	36,284,079

RESERVES

	1980	1979
Disaster	1,462,410	1,430,669
Enhanced disabilities	160,425	42,105
Recapitalization	6,328,753	4,284,132
	7,951,588	5,756,906
Provisional operating reserve (Exhibit 2)	7,704,452	9,674,246
	15,656,040	15,431,152
	$ 55,102,521	$ 51,715,231

On behalf of the board

ED MAYNARD
Chairman

A.G. ROSE
Commissioner

THE WORKERS' COMPENSATION BOARD

Provisional Statement of Revenue, Expenditure

For the year ended

	1980 Total	Restated 1979 Total	Class 1 Mining
Revenue			
Assessments	$13,785,792	$12,062,331	$1,676,432
Interest on investments	1,766,690	1,784,811	192,836
Self-insurers	277,261	253,661	
	15,829,743	14,100,803	1,869,268
Expenditures			
Claims			
Compensation	3,629,987	3,225,769	204,035
Medical aid	843,233	733,310	169,076
Rehabilitation	178,099	108,839	36,778
Estimated outstanding claims for 1980	5,397,316	4,544,253	496,904
Transfer to Reserves			
Pension awards	605,797	246,107	63,144
Recapitalization	1,378,579	603,117	167,643
Disaster	1,378,579	603,117	167,643
Enhanced disabilities	206,787	—	25,146
Administration	1,797,537	1,589,315	219,056
Occupational Health and Safety	893,617	566,254	108,669
	16,309,531	12,220,081	1,658,094
Excess of expenditure over revenue	(479,780)	—	211,174
Excess of revenue over expenditure	—	1,880,722	—
Provisional operating reserve, beginning of year (Exhibit 6)	8,581,641	8,098,600	630,697
Less: Allowance for uncollectable assessments	(397,401)	(305,076)	—
Provisional operating reserve, end of year	$ 7,704,452	$ 9,674,246	$ 841,871

EXHIBIT 2

OF NEWFOUNDLAND AND LABRADOR

and Operating Reserve by Classes

December 31, 1980

Class 2 Forest Products	Class 3 Manufacturing	Class 4 Construction	Class 5 Transportation	Class 6 Distribution and Service	Class 7 Fishing	Class 9 Self-Insurers
$2,126,873	$1,663,900	$2,483,730	$1,322,442	$2,312,517	$2,199,898	$ —
166,388	195,806	700,185	152,172	156,806	202,497	—
						277,261
2,293,261	1,859,706	3,183,915	1,474,614	2,469,323	2,402,395	277,261
306,129	425,400	838,073	243,953	656,017	753,455	202,925
104,504	68,890	147,240	30,347	115,529	133,311	74,336
37,866	28,191	38,470	13,143	20,629	3,022	—
584,599	566,482	1,316,511	440,470	924,811	1,067,539	—
100,287	—	163,105	187,442	35,482	56,337	—
212,687	166,390	248,373	132,244	231,252	219,990	—
212,687	166,390	248,373	132,244	231,252	219,990	—
31,903	24,959	37,256	19,837	34,688	32,998	—
276,659	214,906	368,117	166,097	279,450	273,252	—
137,867	107,857	160,999	85,722	149,901	142,602	—
2,005,188	1,769,465	3,566,517	1,451,499	2,679,011	2,902,496	277,261
288,073	90,241	(382,602)	23,115	(209,688)	(500,101)	—
—	—	—	—	—	—	—
579,128	768,871	4,082,633	871,884	396,733	1,251,695	—
(145,516)	(40,480)	(148,137)	(29,935)	(12,695)	(20,638)	—
$ 721,685	$ 818,632	$3,551,894	$ 865,064	$ 174,350	$ 730,956	$ —

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EXHIBIT 3

THE WORKERS' COMPENSATION BOARD OF NEWFOUNDLAND AND LABRADOR

Analysis of Administrative Expenses
For the year ended December 31, 1980

		1980	1979
Salaries and benefits - Board and staff		$ 1,298,087	$ 1,125,888
Computer services		178,440	145,362
Telephone, postage and general office		106,086	92,780
Depreciation		104,839	104,212
Printing and supplies		97,357	65,941
Building operation and maintenance		89,544	81,932
Travelling expenses - Board and staff		73,419	43,954
Equipment		68,568	56,990
Professional services		41,678	31,075
Miscellaneous		32,207	19,500
Vehicle operating		12,008	14,128
Review committee		6,491	—
Medical and X-Rays		3,321	8,373
		2,112,045	1,790,135
Deduct:			
Rental income		197,001	103,132
		1,915,044	1,687,003
Administration expenses charged to self-insurers as follows:			
Government of Canada	$ 28,273		
Canadian National Railways	29,932		
Canadian National Marine	28,412		
Government of Newfoundland	29,049		
Quebec North Shore and Labrador Railway	1,181		
Memorial University of Newfoundland	660	117,507	97,688
		$ 1,797,537	$ 1,589,315

THE WORKERS' COMPENSATION BOARD

Statement of Amounts
For the year ended

	Outstanding Claims	Pension Awards
Balance at beginning of year	$ 9,141,535	$ 26,651,129
ADDITIONS:		
Transfers to reserves	1,410,761	5,396,138
Interest earnings	—	2,559,841
Actuarial re-evaluation adjustment	—	—
	10,552,296	34,607,108
DEDUCTIONS:		
Benefits paid or charged with respect to claims	—	3,708,622
Actuarial re-evaluation adjustment	—	2,464,306
Balance at end of year	$ 10,552,296	$ 28,434,180

EXHIBIT 4

OF NEWFOUNDLAND AND LABRADOR

held at Credit of Reserves
December 31, 1980

Disaster	Enhanced Disabilities	Recapitalization	Totals
$ 1,430,668	$ 42,105	$ 4,284,132	$ 41,549,569
1,428,046	206,787	1,428,046	9,869,778
134,331	3,953	402,255	3,100,380
116,482	—	2,355,578	2,472,060
3,109,527	252,845	8,470,011	56,991,787
1,647,117	84,665	2,141,258	7,581,662
—	7,755	—	2,472,061
$ 1,462,410	$ 160,425	$ 6,328,753	$ 46,938,064

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THE WORKERS' COMPENSATION BOARD OF NEWFOUNDLAND AND LABRADOR

Analysis of Investments

As at December 31, 1980

	Par Value	Book Value
Government and Public Utilities Bonds		
Newfoundland and Labrador Hydro	$ 19,365,000	$ 19,752,605
Province of Newfoundland	15,152,000	15,401,332
City of St. John's	3,551,000	3,628,333
Newfoundland Light and Power Company Limited	1,550,000	1,551,961
Government of Canada	1,150,000	1,144,394
Newfoundland Telephone Company Limited	1,085,000	1,033,765
Nova Scotia Municipal Authority	357,000	353,843
Ontario Hydro	345,000	345,718
Newfoundland Municipal Financing Corporation	150,000	131,720
Avalon Telephone Company Limited	50,000	39,430
	42,755,000	43,383,101
Other securities authorized for the Investment of Trust Funds	977,000	959,630
	$ 43,732,000	$ 44,342,731

THE WORKERS' COMPENSATION BOARD

Provisional Statement of Revenue and Expenditures

As at December 31, 1980,

GROUP AND CLASS	REVENUE 1979 Assessments	 1979 Interest	 Total
Group 1	$ 927,483		
Group 2	657,581		
Group 3			
CLASS 1	1,585,064	$ 187,433	$ 1,772,497
Group 2	233,687		
Group 3	1,256,348		
Group 4	419,172		
CLASS 2	1,909,207	120,888	2,030,095
Group 1	557,947		
Group 2	614,160		
Group 3	351,185		
Group 4	51,840		
CLASS 3	1,575,132	206,306	1,781,438
Group 1	537,496		
Group 2	612,979		
Group 3	1,073,957		
Group 4	191,465		
CLASS 4	2,415,897	797,727	3,212,624
Group 1	193,083		
Group 2	305,495		
Group 3	72,574		
Group 4	421,532		
Group 5	199,588		
CLASS 5	1,192,272	140,601	1,332,873
Group 1	1,252,871		
Group 2	552,942		
Group 3	43,268		
Group 4	125,556		
CLASS 6	1,974,637	130,005	2,104,642
Group 1	1,658,510		
Group 2	653,677		
Group 3	87,280		
CLASS 7	2,399,467	201,851	2,601,318
CLASS 9	776,831		776,831
TOTALS	$13,828,507	$ 1,784,811	$15,613,318

EXHIBIT 6

OF NEWFOUNDLAND AND LABRADOR

by Classes and Groups

in respect of 1979 and Prior Years

EXPENDITURE						
Compensation & Medical Aid 1979	All Other Outlays	Total	Balances 1979	Provisional Class Balances Jan. 1, 1979	Deduct Adjustments Re Estimated Outstanding Claims	Provisional Class Balances Carried to Exhibit 2
$ 432,792						
750,719						
2,846						
1,186,357	$ 459,037	$ 1,645,394	$ 127,103	$ 558,903	$ 55,309	$ 630,697
80,387						
587,378						
267,562						
935,327	515,028	1,450,355	579,740	34,712	35,324	579,128
368,003						
687,915						
253,810						
11,529						
1,321,257	428,184	1,749,441	31,997	837,061	100,187	768,871
646,249						
635,492						
1,493,682						
104,224						
2,879,647	686,583	3,566,230	(352,606)	4,570,515	135,276	4,082,633
155,538						
111,611						
8,100						
381,535						
186,848						
843,632	329,417	1,173,049	159,824	759,233	47,173	871,884
1,088,841						
311,485						
12,397						
26,541						
1,439,264	526,370	1,965,634	139,008	344,817	87,092	396,733
1,077,134						
510,682						
32,870						
1,620,686	624,959	2,245,645	355,673	993,359	97,337	1,251,695
776,831		776,831				
$11,003,001	$ 3,569,578	$14,572,579	$ 1,040,739	$ 8,098,600	$ 557,698	$ 8,581,641

EXHIBIT 7

THE WORKERS' COMPENSATION BOARD OF NEWFOUNDLAND AND LABRADOR

Statement of Changes in Financial Position

For the year ended December 31, 1980

	1980	1979
Source		
Operations		
Excess of revenue over expenditure	$ —	$ 1,880,722
Depreciation of Building	98,509	97,734
Furniture and fixtures	6,330	6,478
Amortization of premiums on investments	30,510	36,865
	135,349	2,021,799
Increase in reserves	12,970,158	6,891,981
Sales and maturities of investments	333,016	1,799,039
	13,438,523	10,712,819
Application		
Operations		
Excess of expenditure over revenue	479,788	
Purchase of		
Building	30,999	886,358
Furniture and fixtures — new building		10,585
Investments	3,209,543	5,497,615
Payment of claims	7,581,662	4,082,519
	11,301,992	10,477,077
Increase in working capital	2,136,531	235,742
Working capital, beginning of year	5,863,928	7,167,015
Less: Decrease in opening operating reserve	(1,092,605)	(1,233,753)
Allowance for doubtful accounts	(397,401)	(305,076)
	4,373,922	5,628,186
Working capital, end of year	$ 6,510,453	$ 5,863,928

EXHIBIT 8

THE WORKERS' COMPENSATION BOARD OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements

December 31, 1980

1. Accounting policies

a) Uncollectible Assessment Balances
Whereas an allowance for uncollectible assessments has been set up at year end it is the practice of the Board to write off uncollectible balances against assessment revenue.

b) Investments
A gain or loss on an exchange of investments is deducted from or added to the cost of the new investment acquired and amortized to its maturity or call date.

c) Investment Income
Interest earnings are allocated on the basis of 9½ % to the pension fund and the balance prorated to reserves and classes.

d) Capital Expenditures
The Board follows a policy of charging to expense the costs of normal capital expenditures in the year of acquisition. Capital expenditures acquired in excess of normal requirements are amortized over the anticipated useful life of the assets and in this category are:

	Annual Rate
Building	2½ %
Furniture and fixtures	10%

e) Estimated Liability for Outstanding Claims
The current year's estimated liability is based on 115% of 1980 compensation, medical aid and pension awards. The prior years' estimated liability is based on 6.5% of the total compensation, medical aid and pension awards for the previous fifteen years.

f) Transfers to Reserves
Transfers to reserves for Disaster, Enhanced Disabilities and Recapitalization are calculated as a percentage of annual assessments revenue as follows:

	1980	1979
Disaster	10 %	5%
Enhanced disabilities	1½ %	—
Recapitalization	10 %	5%

2. Building, furniture and fixtures

	1980			1979
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Building	$ 3,940,354	$ 196,243	$ 3,744,111	$ 3,811,621
Furniture and fixtures	63,300	18,079	45,221	51,551
	$ 4,003,654	$ 214,322	$ 3,789,332	$ 3,863,172

The land on which the building is located was conveyed to the Board from the Department of Public Works in January, 1981.

3. Commitment
The Board owes $250,000 on a $500,000 commitment to the General Hospital Corporation for construction on the 5th floor of the Health Sciences Centre in St. John's. For this commitment, the Board receives priority access to 8 beds over a 20 year period.

4. Restatement
On Exhibit 2 the comparative figures for 1979 have been restated to include revenue and expenditures for Class 9 - self-insurers. This is in conformity with 1980 presentation.

Number/
Numéro

2

A

PROVINCE OF NEWFOUNDLAND

ACCOUNTS OF

CROWN CORPORATIONS

BOARDS

AND

AUTHORITIES

1981

PRINTED UNDER AUTHORITY OF THE TREASURY BOARD
ST. JOHN'S, NEWFOUNDLAND

PRINTED BY ROBINSON-BLACKMORE PRINTING AND PUBLISHING LIMITED.

GOVERNMENT OF NEWFOUNDLAND AND LABRADOR

Department of Finance

April, 1983

The Honourable W. Anthony Paddon
Lieutenant-Governor of the Province of Newfoundland.

Sir,

I have the honour to present the Accounts of Crown Corporations, Boards and Authorities for the fiscal year 1981.

Respectfully submitted,

Your Honour's obedient servant,

JOHN F. COLLINS, F.R.C.P.(E.)
Minister of Finance.

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Note

The financial statements of the following agencies were not available in time for inclusion in this volume:

- Bell Island Hospital Building Corporation Limited
- College of Fisheries, Navigation, Marine Engineering and Electronics
- Corner Brook Hospital Buildings Corporation Limited
- Harmon Corporation
- Livestock Owners Compensation Board
- Newfoundland Municipal Financing Corporation
- Pepperrell Hospital Reconstruction Corporation Limited
- Registrar of the Supreme Court
- St. John's Infirmary Building Corporation Limited
- Vocational Schools (Western) Building Corporation Limited

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

The Board of Governors of the
Bay St. George Community College
Stephenville, Newfoundland

I have examined the balance sheet of the Board of Governors of the Bay St. George Community College as at 31 March 1981 and the statements of revenue expenditure and surplus and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at 31 March 1981 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.,
Auditor General.

St. John's, Newfoundland
17 November 1981

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BOARD OF GOVERNORS
THE BAY ST. GEORGE COMMUNITY COLLEGE

Index to Financial Statements

31 March 1981

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Statement of Revenue, Expenditure and Surplus " 2

Statement of Changes in Financial Position " 3

BOARD OF
THE BAY ST. GEORGE

Balance
31 March

	1981	1980
Assets		
Current assets:		
Cash	$ 227,361	$ 124,029
Student scholarship trust fund	3,194	—
Accounts receivable:		
Trade	83,962	61,188
Department of Education	259,354	119,403
	343,316	180,591
Less: Allowance for doubtful accounts	985	854
	342,331	179,737
Inventory - at cost		
Textbooks	27,683	25,885
Cafeteria	14,893	26,444
Handcraft supplies	11,426	14,332
Safety supplies	355	1,647
Free-issue clothing	764	356
	55,121	68,664
Total current assets	628,007	372,430
Fixed assets - at cost (Note 3)		
Heavy equipment and motor vehicles	1,821,383	1,770,753
Other equipment, furniture and fixtures	823,676	745,703
Total fixed assets	2,645,059	2,516,456
Less - Provincial Government grants	2,442,234	2,344,641
— Assets expensed in year of acquisition	202,825	171,815
	2,645,059	2,516,456
	—	—
Total assets	$ 628,007	$ 372,430

STATEMENT 1

GOVERNORS COMMUNITY COLLEGE

Sheet

1981

	1981	1980
Liabilities and Surplus		
Current liabilities:		
Accounts payable	$ 17,661	$ 22,741
Accrued liabilities	397,560	224,071
Student scholarship trust fund	3,194	—
Total current liabilities	418,415	246,812
Surplus - Statement 2	209,592	125,618
Total liabilities and surplus	$628,007	$372,430

See accompanying notes

Signed on behalf of the Board of Governors:

Chairman of the Board of Governors

President

BOARD OF
THE BAY ST. GEORGE

Statement of Revenue,
For the year ended

	1981	1980
Revenue		
Grants-in-aid:		
Province of Newfoundland:		
Manpower training allowance	$2,210,000	$2,174,939
Operating allowance	1,304,951	885,289
	3,514,951	3,060,228
Student fees:		
Course fees	50,617	29,973
Tuition fees - night	33,208	24,419
Shop and laboratory fees - day	1,510	1,230
Tuition fees - non-residents	498	270
	85,833	55,892
Sales and services:		
Cafeteria sales	95,385	94,361
Student residence fees	66,614	65,158
Bookstore sales	13,634	11,076
Safety supply sales	1,053	2,577
	176,686	173,172
Other:		
Interest	69,250	34,616
Commissions	542	740
Gain on sale of fixed assets	4,357	155,810
Miscellaneous	6,085	12,220
	80,234	203,386
Total revenue	$3,857,704	$3,492,678

STATEMENT 2

GOVERNORS
COMMUNITY COLLEGE

Expenditure and Surplus
31 March 1981

	1981	1980
Expenditure and Surplus		
Instructional:		
Salaries	$2,055,367	$1,774,804
Vehicle	142,927	70,497
Supplies	133,718	133,420
Cafeteria purchases	30,152	31,152
Building rentals	24,935	19,305
Travel	16,570	7,398
Rentals, repairs and maintenance - equipment	16,067	13,935
Manpower students' textbooks	13,365	14,036
Manpower students' union fees and insurance	11,272	6,235
Small tool purchases	3,834	3,345
Laundry	3,713	3,839
Miscellaneous	1,010	3,627
Freight	41	422
Total instructional	2,452,971	2,082,015
Administrative and others:		
Salaries	1,030,285	982,352
Student allowances	71,911	51,922
Cafeteria purchases	70,352	72,687
Office supplies	36,646	10,640
Assets expensed in year of acquisition	31,010	171,815
Rental, repairs and maintenance - equipment	17,167	14,214
Bookstore purchases	15,433	12,232
Travel	13,430	9,139
Vehicle	12,279	6,737
Student residence - laundry	6,726	4,685
Library purchases	5,732	2,959
Small tool purchases	4,932	—
Utility services	2,824	5,791
Interest	1,102	1,217
Miscellaneous	566	1,540
Insurance	225	1,443
Provision for doubtful accounts	131	854
Advertising	8	332
Safety supply purchases	—	2,577
Staff training	—	958
Total administrative and other	1,320,759	1,354,094
Total expenditure	3,773,730	3,436,109
Excess of revenue over expenditure	83,974	56,569
Surplus		
Beginning of year (Note 2)	125,618	69,049
End of year	$ 209,592	$ 125,618

See accompanying notes

STATEMENT 3

BOARD OF GOVERNORS
THE BAY ST. GEORGE COMMUNITY COLLEGE

Statement of Changes in Financial Position
For the year ended 31 March 1981

	1981	1980
Source of funds		
From operations —		
Excess of revenue over expenditure	$ 83,974	$ 56,569
Add: Fixed assets expensed in year of acquisition	31,010	171,815
	114,984	228,384
Less: Gain on sale of fixed assets	4,357	155,810
	110,627	72,574
Capital contributions by Province of Newfoundland	100,000	2,344,641
Proceeds from sale of fixed assets	4,357	155,810
	214,984	2,573,025
Application of funds		
Additions to fixed assets	131,010	2,516,456
Increase in working capital	83,974	56,569
Working capital, beginning of year	125,618	69,049
Working capital, end of year	$209,592	$ 125,618

See accompanying notes

BOARD OF GOVERNORS
THE BAY ST. GEORGE COMMUNITY COLLEGE

Notes to Financial Statements
For the year ended 31 March 1981

1. **Accounting policy**
Most fixed asset acquisitions are financed by Province of Newfoundland capital grants which are deducted in total from the fixed assets on the balance sheet. The balance of the fixed assets are financed through current account funds and are charged to operations in the year of acquisition.

2. The College commenced operations as a separate entity on 1 April 1979. The assets on hand at that date were contributed by the Province of Newfoundland and were as follows:

Inventory:	
Textbooks	$ 27,906
Cafeteria	25,000
Handcraft supplies	11,582
Safety supplies	4,561
	$ 69,049

Fixed assets:	
Heavy equipment and motor vehicles	$1,886,747
Other equipment, furniture and fixtures	705,482
	$2,592,229

Title to these assets has not been formally transferred to the College.

3. In accordance with Section 5 of the Bay St. George Community College Act, 1977, C19, the land and buildings presently being used by the College are the property of the Province of Newfoundland. Expenditures for repairs and maintenance to these buildings, paid for by the Province, have not been recorded in the financial statements of the College for the year ended 31 March 1981. The total of these expenditures could not be made available by the Province. If these figures had been available, both the revenue and expenditure of the College would have increased by those amounts.

4. Operating expenditures of $72,429 for office supplies, telephone, printing and advertising paid for by the Province of Newfoundland have not been recorded in the financial statements of the College for the year ended 31 March 1981.

5. **Adjustment of prior years' financial statements**
The college's share of contributions to the Provincial Pension Plan of $119,403 had not been recorded in the accounts. This resulted in an understatement of assets, liabilities, revenue and expenditure of $119,403. The 1980 comparative figures have been restated where necessary to reflect this amount. This adjustment had no effect on surplus.

6. **Comparative figures**
The 1980 comparative figures were reported on in my auditor's report, dated 21 November 1980.

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders
B.L.C. Building Corporation Limited
St. John's, Newfoundland

I have examined the balance sheet of the B.L.C. Building Corporation Limited as at 31 March 1981 and the statement of income and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the corporation as at 31 March 1981 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
13 January 1983

B.L.C. BUILDING

Balance
31 March

	1981	1980
ASSETS		
Current assets:		
Accrued rent	$ 29,786	$ 31,957
Prepaid expenses	888	888
	30,674	32,845
Fixed assets, at cost: (Note 2)		
Land	48,160	48,160
Building, equipment and machinery	3,234,280	3,234,280
	3,282,440	3,282,440
Less: Government grant in aid of construction	7,538	7,538
	3,274,902	3,274,902
Intangible assets:		
Organization expense	254	254
Total assets	$3,305,830	$3,308,001

STATEMENT 1

CORPORATION LIMITED

Sheet
1981

		1981	1980
LIABILITIES			
Current liabilities:			
Accrued interest on bonds		$ 29,786	$ 31,957
Deferred revenue - per contra		888	888
Long-term debt due within one year		138,756	131,226
		169,430	164,071
Long-term debt: (Note 2)			
5 5/8% First Mortgage Sinking Fund Bonds, dated 1 January 1966, maturing 1 July 1991		1,783,386	1,922,142
Total liabilities		1,952,816	2,086,213
SHAREHOLDERS' EQUITY			
Share capital:			
Authorized 100 common shares of par value of $1,000 each	$100,000		
Issued and fully paid 3 shares		3,000	3,000
Capital contributions:			
Repayment of long-term debt by the Province of Newfoundland		1,347,758	1,216,532
Retained earnings		2,256	2,256
Total shareholders' equity		1,353,014	1,221,788
Total liabilities and shareholders' equity		$3,305,830	$3,308,001

See accompanying notes

Signed on behalf of the Board of Directors

PHILIP J. WALL
Director

GILBERT G. GILL
Director

STATEMENT 2

B.L.C. BUILDING CORPORATION LIMITED

Statement of Income and Retained Earnings
For the year ended 31 March 1981

		1981	1980
REVENUE			
Province of Newfoundland			
Rental of B.L.C. Building		$268,414	$269,377
Interest income		1,679	1,455
		270,093	270,832
EXPENDITURE			
Debt charges:			
Payments to trustee for bondholders on account of principal and interest on First Mortgage Bonds			
Principal	$122,000		
Interest	105,694		
	$227,694 U.S.	264,781	264,510
Trustee's fees and sundry		969	975
Fire insurance		2,664	3,892
		268,414	269,377
Net income		1,679	1,455
Retained earnings, beginning of year		2,256	2,256
		3,935	3,711
Amount paid to Province of Newfoundland		1,679	1,455
Retained earnings, end of year		$ 2,256	$ 2,256

See accompanying notes

B.L.C. BUILDING CORPORATION LIMITED

Notes to Financial Statements
31 March 1981

1 **Accounting policies**

(a) **Fixed assets**

Fixed assets are not being depreciated, but payments of principal and interest on long-term debt are expensed in the financial statements. Certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholders and which were paid for by the Lessee, are not included in these accounts.

(b) **Rental revenue**

The rental revenue received from the Province is equal to the annual amount required to be paid on account of principal and interest, and other expenses. Thus, accrued rent and deferred revenue equal accrued interest on bonds and prepaid expenses of the corporation.

(c) **Interest income**

All payments on account of principal and interest on the First Mortgage Bonds are paid into a Debt Service Fund. The interest on the Fund is recorded as interest income and is periodically paid to the Province as a distribution of surplus.

2. **Long-term debt**

The First Mortgage Sinking Fund Bonds, payable in U.S. dollars, are stated in Canadian dollars at the net realized amount at the time of issue. At 31 March 1981 the Canadian equivalent of the outstanding principal amount of $1,787,000 U.S., translated at current exchange rates, was $2,118,131.

Fixed assets have been pledged as security for the long-term debt.

The payments required in each of the next five years to meet retirement provisions are as follows:

	U.S. Funds
Year ending 31 March 1982	$129,000
1983	136,000
1984	144,000
1985	152,000
1986	161,000

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

The Board of Governors of the
College of Trades and Technology,
St. John's, Newfoundland.

I have examined the balance sheet of the Board of Governors of the College of Trades and Technology as at 31 March 1981 and the statements of revenue and expenditure, surplus and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at 31 March 1981 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J F McGRATH, C A.,
Auditor General

St. John's, Newfoundland
9 September 1981

BOARD OF GOVERNORS
THE COLLEGE OF TRADES AND TECHNOLOGY
Index to Financial Statements
31 March 1981

Balance Sheet	**Statement 1**
Statement of Surplus	**" 2**
Statement of Revenue and Expenditure	**" 3**
Statement of Changes in Financial Position	**" 4**

BOARD OF THE COLLEGE OF TRADES

Balance
31 March

	1981	1980
Assets		
Current assets:		
Cash	$ 422,867	$ 323,095
Short term investment (30 day, due 23 April 1981)	650,000	500,000
Accounts receivable:		
Department of Labour and Manpower	80,564	65,545
Other	31,693	17,485
	112,257	83,030
Accrued interest receivable	12,977	8,081
Inventory - at cost		
Textbooks	84,559	43,929
Cafeteria	7,328	8,817
	91,887	52,746
Total current assets	1,289,988	966,952
Fixed assets - at cost (Notes 2 and 4)		
Heavy machinery and equipment	1,902,466	1,681,530
Furniture and fixtures	128,532	121,764
Office machines	181,461	171,508
Carpentry shop project	11,361	11,361
Leasehold improvements - Topsail Road Campus (Note 3)	615,941	615,941
Leasehold improvements - Building 910 (Note 3)	39,480	39,480
Building renovations	229,447	229,447
Paving	58,700	25,350
Total fixed assets	3,167,388	2,896,381
Less - Provincial Government Grants	2,996,833	2,768,403
- Assets expensed in year of acquisition	154,428	107,615
	16,127	20,363
Trust accounts	21,760	8,419
Total assets	$1,327,875	$ 995,734

STATEMENT 1

GOVERNORS
AND TECHNOLOGY
Sheet
1981

	1981	1980
Liabilities and Surplus		
Current liabilities:		
Accounts payable	$ 234,633	$228,145
Current portion of instalment contracts payable	6,260	11,055
Accrued liabilities - payroll	237,979	99,534
Employee payroll deductions and miscellaneous taxes payable	264,321	171,178
Total current liabilities	743,193	509,912
Long-term liabilities:		
Instalment contracts payable (Note 4)	16,127	20,363
Less - Current portion	6,260	11,055
	9,867	9,308
Total liabilities	753,060	519,220
Unexpended capital grant	45,502	73,932
Surplus - Statement 2	507,553	394,163
Trust accounts equity	21,760	8,419
Total liabilities and surplus	$1,327,875	$995,734

See accompanying notes

Signed on behalf of the Board of Governors:

JOHN GREEN
Chairman of the Board of Governors

K. DUGGAN
President

STATEMENT 2

BOARD OF GOVERNORS
THE COLLEGE OF TRADES AND TECHNOLOGY

Statement of Surplus
For the year ended 31 March 1981

	1981	1980
Balance, beginning of year	$394,163	$368,646
Excess of revenue over expenditure - Statement 3	113,390	25,517
Balance, end of year - to Statement 1	$507,553	$394,163

See accompanying notes

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BOARD OF THE COLLEGE OF TRADES

Statement of Revenue
For the year ended

	1981	1980
REVENUE		
Province of Newfoundland:		
Grant-in-aid	$7,250,000	$6,575,800
Apprenticeship advances	971,000	890,000
	8,221,000	7,465,800
General Hospital Nursing Assistants' Program	137,800	133,500
Bookstore sales	209,988	188,572
Cafeteria sales	83,282	103,638
Student fees	141,465	139,068
Interest income	128,518	116,146
Miscellaneous	23,270	32,340
Total revenue	$8,945,323	$8,179,064

STATEMENT 3

GOVERNORS
AND TECHNOLOGY

and Expenditure
31 March 1981

	1981	1980
Expenditure		
Administrative and General:		
Salaries	$1,387,788	$1,355,094
Office supplies	86,369	79,919
Advertising and public relations	11,443	9,861
Travel	15,422	18,154
Utility services	258,475	210,288
Repairs and maintenance - buildings and grounds	317,466	292,733
Insurance	3,509	3,543
Vehicle expense	9,913	7,947
Freight and duty	18,729	11,232
Miscellaneous	6,027	6,685
Student activities grant	24,231	22,604
Staff training	1,084	1,624
Total administrative and general	2,140,456	2,019,684
Instructional:		
Salaries	4,793,691	4,404,058
Travel	16,133	14,945
Student transportation	13,402	18,893
Instructional supplies	479,858	398,941
Professional fees	8,094	22,239
Staff recruitment	16,831	5,273
Instructors' training	2,455	1,483
Rentals, repairs and maintenance - equipment	234,310	198,486
Building rentals	81,626	100,407
Course planning	1,000	—
Total instructional	5,647,400	5,164,725
Other:		
Student allowances	606,650	553,826
Bookstore purchases	253,629	227,868
Cafeteria purchases	79,397	82,483
Library and audio visual purchases	53,557	56,855
Interest expense	2,487	2,017
Nigerian project	1,544	—
Assets expensed in year of acquisition	46,813	46,089
Total other	1,044,077	969,138
Total expenditure	8,831,933	8,153,547
Excess of revenue over expenditure - to Statement 2	$ 113,390	$ 25,517

See accompanying notes

STATEMENT 4

BOARD OF GOVERNORS
THE COLLEGE OF TRADES AND TECHNOLOGY

Statement of Changes in Financial Position
For the year ended 31 March 1981

	1981	1980
Source of funds		
From operations —		
Excess of revenue over expenditure	$113,390	$ 25,517
Add - fixed assets expensed in year of acquisition	46,813	46,089
	160,203	71,606
Capital contribution by Province of Newfoundland	200,000	272,000
Increase in instalment contracts payable	9,227	9,308
	369,430	352,914
Application of funds		
Additions to fixed assets	271,007	327,229
Reduction in instalment contracts payable	8,668	—
	279,675	327,229
Increase in working capital	89,755	25,685
Working capital, beginning of year	457,040	431,355
Working capital, end of year	$546,795	$457,040

See accompanying notes

BOARD OF GOVERNORS
THE COLLEGE OF TRADES AND TECHNOLOGY

Notes to Financial Statements
For the year ended 31 March 1981

1. Accounting Policy

   Most fixed asset acquisitions are financed by Province of Newfoundland capital grants which are deducted in total from the fixed assets on the balance sheet. The balance of the fixed assets are financed through current account funds and mostly represent capital assets created by the College. Fixed assets financed through current account funds are charged to operations in the year of acquisition.

2. In accordance with Section 5 of The College of Trades and Technology Act, R.S.N., 1970, C.49, the land, buildings and equipment in use by the College at the date of formation of the Board are the property of Technical College Building Corporation Limited, a Provincial Crown Corporation.

3. The College leases its Topsail Road Campus and Building 910, Pleasantville from the Department of Public Works and Services.

4. Fixed assets totalling $40,034 have been pledged as security for instalment contracts payable.

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DEPARTMENT OF THE AUDITOR GENERAL

St. John's, Newfoundland

AUDITOR'S REPORT

The Chairman and Members
The Farm Development Loan Board
St. John's, Newfoundland

In compliance with the requirements of Section 14 of the Farm Development Loan Act, 1953, I have examined the balance sheet of the Farm Development Loan Board as at 31 March 1981 and the statement of receipts and disbursements for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Farm Development Loan Board as at 31 March 1981 and its receipts and disbursements for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
20 August 1981

FARM DEVELOPMENT

BALANCE

As at 31

	1981	1980
ASSETS		
Current		
Cash	$ 188,806	$ 155,274
Less receivable:		
Principal due and unpaid	563,472	475,750
Current portion of long-term loans	414,297	424,581
Interest due and unpaid	111,571	94,980
Interest accrued	38,704	30,731
	1,128,044	1,026,042
Less: Allowance for doubtful accounts	185,993	160,989
	942,051	865,053
Total current assets	1,130,857	1,020,327
Long-term		
Loans receivable	2,424,027	2,134,879
Less: Current portion	414,297	424,581
Total long-term assets	2,009,730	1,710,298
	$3,140,587	$2,730,625

LOAN BOARD

Sheet
March 1981

EQUITY

Due to Province of Newfoundland		
Balance, 1 April 1980	$2,730,625	$2,469,884
Add: Grant received	350,000	200,000
Loan income (Note 2)	59,962	60,741
Balance, 31 March 1981	$3,140,587	$2,730,625

See accompanying notes

Signed on behalf of the Board

Chairman

Member

FARM DEVELOPMENT LOAN BOARD

Statement of Receipts and Disbursements

For the year ended 31 March 1981

	1981	1980
RECEIPTS		
Principle instalments on loans receivable	$374,763	$359,977
Interest on loans receivable	79,401	59,757
Advance from Province of Newfoundland	350,000	200,000
	804,164	619,734
DISBURSEMENTS		
Loans advanced for -		
Land	1,875	14,000
Equipment	236,409	245,480
Livestock	73,261	16,704
Construction of farm buildings	362,138	528,415
Swine	95,147	149,925
	768,830	954,524
Repayment of loan overpayment	1,802	11,228
	770,632	965,752
Excess of receipts over disbursements	33,532	(346,018)
Bank balance, 1 April 1980	155,274	501,292
Bank balance, 31 March 1981	$188,806	$155,274

See accompanying notes

FARM DEVELOPMENT LOAN BOARD

Notes to the Financial Statements
For the year ended 31 March 1981

1. **Operations**

The Department of Rural, Agricultural and Northern Development, Province of Newfoundland, is responsible for all operating expenses of The Farm Development Loan Board.

2. **Loan income**

Loan income consists of the following:

	1981	1980
Interest earned	$105,210	$85,838
Add: Bad debt recoveries	17,046	2,888
	122,256	88,726
Less: Provision for doubtful accounts	62,294	27,985
	$ 59,962	$60,741

3. **Other information**

The Board has approved loans amounting to $297,223 which had not been advanced as at 31 March 1981.

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

The Shareholders
The Feed Mill Building Company Limited
St. John's, Newfoundland

I have examined the balance sheet of the Feed Mill Building Company Limited as at 31 March 1980 and the statement of revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Company as at 31 March 1980 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
23 September 1981

FEED MILL BUILDING

Balance
31 March

	1980	1979
Assets		
Current assets:		
Cash	$ 3,485	$ 3,510
Accrued rent	—	1,150
Accounts receivable	75	50
	3,560	4,710
Fixed assets: (Note 2)		
Property, plant and equipment, at cost:		
Land	5,000	5,000
Building, machinery and equipment	874,103	874,103
	879,103	879,103
Total assets	$882,663	$883,813

STATEMENT 1

COMPANY LIMITED

Sheet
1980

		1980	1979
Liabilities			
Current liabilities:			
Accrued liabilities		$ —	$ 1,150
Current portion of long-term liabilities		—	40,000
		—	41,150
Long-term liabilities:			
5 3/4% First Mortgage Serial Bonds, dated 1 April 1964, maturing 1 October and 1 April 1964-1979		—	40,000
Less: Current portion		—	40,000
		—	—
Total liabilities		—	41,150
Shareholders' Equity			
Share capital:			
Authorized:			
100 common shares of par value $1,000 each	$100,000		
Issued and fully paid:			
3 shares		3,000	3,000
Retained earnings		560	560
		3,560	3,560
Capital contributions:			
Repayment of long-term debt by Province of Newfoundland		800,000	760,000
Other		79,103	79,103
		879,103	839,103
Total shareholders' equity		882,663	842,663
Total liabilities and shareholders' equity		$882,663	$883,813

See accompanying notes

Signed on behalf of the Board of Directors:

PHILIP WALL
Director

GILBERT GILL
Director

STATEMENT 2

FEED MILL BUILDING COMPANY LIMITED

Statement of Revenue and Expenditure
For the year ended 31 March 1980

	1980	1979
Revenue		
Fortress Formula Feed Company Limited:		
Rental of Feed Mill	$41,150	$78,393
Expenditure		
Debt charges:		
Payments to trustee for bondholders on account of principal and interest on First Mortgage Bonds:		
Principal	$40,000	$75,000
Interest	1,150	3,393
	$41,150	$78,393

See accompanying notes

FEED MILL BUILDING COMPANY LIMITED

Notes to Financial Statements
For the year ended 31 March 1980

1 **Accounting policies**

(a) **Fixed assets**

Fixed assets are not being depreciated, but payments of principal and interest on long-term debt are expensed in the financial statements.

Certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholders and which were paid for by the Lessee, are not included in these financial statements.

(b) **Rental revenue**

The rental revenue received from Fortress Formula Feed Company Limited is equal to the annual amount required to be paid on account of principal and interest.

2. **Transfer of assets**

Under a purchase agreement dated 1 April 1964, Feed Mill Building Company Limited agreed to sell certain property to Fortress Formula Feed Company Limited for the purchase price specified in the agreement. When the mortgage had been paid in full, Feed Mill Building Company Limited was required to obtain a release and discharge of the mortgage and to provide Fortress Formula Feed Company Limited with the appropriate instruments to complete the conveyance.

All payments on the mortgage were completed on 1 April 1979. However, Feed Mill Building Company Limited did not obtain the release of the mortgage until 23 May 1980 and the document transferring title to Fortress Formula Feed Company Limited was not signed until 11 March 1981. Consequently, these assets are included in the financial statements as at 31 March 1980.

The Company is to be wound-up on 31 March 1982.

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

The Shareholders
Feed Mill Building Company LImited
St. John's, Newfoundland

I have examined the balance sheet of the Feed Mill Building Company Limited as at 31 March 1981 and the statement of revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Company as at 31 March 1981 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
8 December 1982

FEED MILL BUILDING

Balance
31 March

	1981	1980
ASSETS		
Current assets:		
Cash	$ 3,460	$ 3,485
Accounts receivable	100	75
	3,560	3,560
Fixed assets:		
Property, plant and equipment, at cost:		
Land	—	5,000
Building, machinery and equipment	—	874,103
	—	879,103
Total assets	$ 3,560	$882,663

STATEMENT 1

COMPANY LIMITED

Sheet
1981

		1981	1980
SHAREHOLDERS' EQUITY			
Share capital:			
Authorized:			
100 common shares of par value $1,000 each	$100,000		
Issued and fully paid:			
3 shares		$ 3,000	$ 3,000
Retained earnings		560	560
		3,560	3,560
Capital contributions:			
Repayment of long-term debt by Province of Newfoundland		—	800,000
Other		—	79,103
		—	879,103
Total shareholders' equity		$3,560	$882,663

See accompanying note

Signed on behalf of the Board of Directors:

D.G. NORRIS
Director

GILBERT G. GILL
Director

STATEMENT 2

FEED MILL BUILDING COMPANY LIMITED

Statement of Revenue and Expenditure
For the year ended 31 March 1981

	1981	1980
REVENUE		
Fortress Formula Feed Company Limited:		
Rental of Feed Mill	$ —	$41,150
EXPENDITURE		
Debt charges:		
Payments to trustee for bondholders on account of principal and interest on First Mortgage Bonds:		
Principal	$ —	$40,000
Interest	—	1,150
	$ —	$41,150

See accompanying note

FEED MILL BUILDING COMPANY LIMITED

Note to Financial Statements
For the year ended 31 March 1981

RENTAL REVENUE

Rental revenue is nil. Under the terms of the purchase agreement entered into on 1 April 1964, Feed Mill Building Company Limited agreed to sell certain property to Fortress Formula Feed Company Limited for the purchase price specified in the agreement. When the mortgage had been paid in full, Feed Mill Building Company Limited was required to obtain a release and discharge of the mortgage and to provide Fortress Formula Feed Company Limited with the appropriate instruments to complete the conveyance.

All payments on the mortgage were completed on 1 April 1979. However, Feed Mill Building Company Limited did not obtain the release of the mortgage until 23 May 1980 and the document transferring title to Fortress Formula Feed Company was not signed until 11 March 1981. Consequently, these assets were removed from the financial statements as at 31 March 1981.

The company is to be wound-up on 31 March 1982.

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

The Chairman and Members,
The Fisheries Loan Board of
Newfoundland,
St. John's, Newfoundland.

In compliance with the requirements of Section 16 of the Fisheries Loan Act, 1970, I have examined the balance sheet of the Fisheries Loan Board of Newfoundland, Fisheries Loan Fund, as at 31 March 1981 and the statements of revenue, expenditure and surplus, and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fisheries Loan Board of Newfoundland, Fisheries Loan Fund, as at 31 March 1981 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.,
Auditor General.

St. John's, Newfoundland
24 February 1981

FISHERIES LOAN BOARD

Fisheries

Balance
31 MARCH

ASSETS

		1981	1980
Current:			
Cash on hand and in bank (Note 2)		$ 4,215,783	$ 6,686,992
Due from Province (Note 3)		9,441	—
Miscellaneous accounts receivable		500	—
Lease revenue receivable		31,767	31,767
Advance receivable (Note 4)		3,774,577	4,909,086
Loans receivable (Note 5):			
Principal due and unpaid	$ 5,003,704		3,513,773
Current portion of long-term loans	4,494,256		3,203,907
Interest due and unpaid	1,151,920		663,326
Interest accrued	778,295		459,062
	11,428,175		7,840,068
Less: Allowance for doubtful accounts (Note 1)	3,952,314		3,225,003
		7,475,861	4,615,065
Total current assets		15,507,929	16,242,910
Long-term:			
Loans receivable		37,758,972	31,656,267
Less: Current portion		4,494,256	3,203,907
		33,264,716	28,452,360
Total assets		$48,772,645	$44,695,270

STATEMENT 1

OF NEWFOUNDLAND
Loan Fund

Sheet
1981

LIABILITIES	1981	1980
Current:		
Borrowers' deposits	$ 796,104	$ 1,070,187
Tender deposits	—	373
Total current liabilities	796,104	1,070,560
Long-term:		
Due to Province of Newfoundland (Note 7)	46,660,156	43,141,726
Total liabilities	47,456,260	44,212,286
EQUITY		
Surplus (Note 8)	1,316,385	482,984
Total liabilities and equity	$48,772,645	$44,695,270

See accompanying notes

Signed on behalf of the Board

Chairman

Member

FISHERIES LOAN BOARD OF NEWFOUNDLAND

Fisheries Loan Fund
Statement of Revenue, Expenditure and Surplus
For the year ended 31 March 1981

		1981	1980
Interest on loans			
Less: Provision for doubtful accounts	$726,154	$1,561,505	$ 949,410
Net operating expenses paid by the board	1,950		1,201,046
			22,782
Surplus (Deficit) for year		728,104	1,223,828
Surplus, beginning of year		833,401	(274,418)
Surplus, end of year		482,984	757,402
		$1,316,385	$ 482,984

See accompanying notes

STATEMENT 3

FISHERIES LOAN BOARD OF NEWFOUNDLAND

Fisheries Loan Fund
Statement of Changes in Financial Position
For the year ended 31 March 1981

	1981	1980
Financial resources were provided by:		
Principal instalments and deposits on loans receivable	$ 5,024,142	$ 5,677,591
Principal instalments and deposits on vessel construction	2,906,880	5,413,615
Interest on loans receivable	705,635	580,130
Lease revenue	19,800	16,540
Tender deposits	—	373
Advances from Province of Newfoundland	3,500,000	18,700,000
Miscellaneous	99	1,102
	$12,156,556	$30,389,351
Financial resources were used for:		
Loan advances		
Purchase of boats and equipment	5,080,474	9,454,496
Construction of vessels	9,533,560	14,545,928
Interest subsidy	9,441	—
Operating expenses paid by the Board	4,290	20,332
	14,627,765	24,020,756
Increase (decrease) in cash during year	(2,471,209)	6,368,595
Cash on hand and in bank, 1 April	6,686,942	318,347
Cash on hand and in bank, 31 March	$ 4,215,733	$ 6,686,942

See accompanying notes

FISHERIES LOAN BOARD OF NEWFOUNDLAND

Fisheries Loan Fund

Notes to Financial Statements

For the year ended 31 March 1981

(1) **Accounting Policies**
The allowance for doubtful accounts is 9% of the loan principal and interest receivable at year end.

As per M.C. 1569-79 effective 11 December 1979, the Board is following the practice of capitalizing interest of loan advances during construction.

(2) **Cash on Hand and in Bank and Outstanding Commitments**
Of the cash on hand and in bank at year end, the full amount was committed by the Board. An additional $1,016,000 over commitment had the prior approval of Treasury Board and was taken into consideration in the budget for fiscal year 1981-82.

(3) **Due from Province**
This account represents interest subsidy payments made by the Board on loans exceeding $50,000.00 which were approved under the Bank Loan Guarantee Program. This amount was recovered in April 1981.

(4) **Advances Receivable**
This account represents payments made for vessel construction. When the vessels are completed and the required documents are signed by the individual for whom the vessel is being constructed, these expenditures are transferred to long-term loans receivable. During construction all loan advances are covered by Builder's Mortgage.

(5) **Loans Receivable**
Included in the principal and interest outstanding at year end is the amount of (approximately) $710,835 which represents principal and interest due from individuals whose boats have been repossessed and sold. Of this amount (approximately) $158,978 represents balances of contracts entered into prior to 1975 of which a portion is not legally collectible.

During the fiscal year 1980-81 no loans were made to fishermen who were directors on the Loan Board although Federal subsidy in the amount of $3,500 credited to a Board Member was returned to the Federal Department of Fisheries as the individual didn't take advantage of his loan.

(6) **Operations**
The Department of Fisheries, Province of Newfoundland, was responsible for operating expenses totalling $924,652 of the Fisheries Loan Board of Newfoundland.

(7) **Due to Province of Newfoundland**
Beginning in the fiscal year 1979/80 the accounts listed in the Balance Sheet under the heading due to Province of Newfoundland have been rearranged so as to present a clearer representation of the Loan Board's debt to the province. The figures presented as of March 31, 1980 and March 31, 1981 were calculated as follows:

	1981	1980
Direct Advances	$42,775,517	$39,275,517
Cost for Conversion of Fishing Vessels	1,011,443	1,011,443
Multi-Purpose Vessel Construction	2,873,196	2,854,766
	$46,660,156	$43,141,726

(8) **Surplus Account**

As a result of the charges mentioned in Note #7 beginning on March 31, 1980 a surplus account now appears on the balance sheet. This surplus account represents the difference between the interest earned on all loans less the provisions made for bad and doubtful accounts along with the miscellaneous operating expenses covered by the Board.

In the event of dissolution of the Board, any surplus balance will be returned to the Province.

(9) **Other**

These statements are a representation of the activities of the Fisheries Loan Fund as established by Section 6 and 7 of the Fisheries Loan Act and are presented in accordance with Sections 14, 15 and 16 of the same Act.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders
Gander Hospital Corporation Limited
St. John's, Newfoundland

I have examined the balance sheet of the Gander Hospital Corporation Limited as at 31 March 1981 and the statement of income and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Gander Hospital Corporation Limited as at 31 March 1981 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
15 November 1982

GANDER HOSPITAL

Balance
31 March

	1981	1980
ASSETS		
Current assets:		
Cash	$ —	$ 965
Accrued interest	3,608	3,536
Prepaid expenses	2,668	2,668
	6,276	7,169
Fixed assets, at cost (Note 3)		
Land	3,000	3,000
Buildings	6,348,837	6,348,837
	6,351,837	6,351,837
Less: Government grant in aid of construction	1,337,289	1,337,289
	5,014,548	5,014,548
Organization expenses	244	244
Debt sevice fund:		
Guaranteed investment receipt held by trustee, at cost	165,182	132,312
Total assets	$5,186,250	$5,154,273

STATEMENT 1

CORPORATION LIMITED

Sheet
1981

LIABILITIES

Current liabilities:			
Deferred revenue - per contra		$ 2,668	$ 2,668
Long-term debt due within one year		246,000	232,000
		248,668	234,668
Long-term liability (Notes 2 and 3)			
First Mortgage Sinking Fund Bonds, 6 1/4% Series "B", dated 1 June 1962 maturing 1 June and 1 December 1969-1988		2,225,000	2,471,000
Total liabilities		2,473,668	2,705,668

SHAREHOLDERS' EQUITY

Share capital:			
Authorized:			
100 common shares of $1,000 par value	$100,000		
Issued and fully paid:			
3 shares		3,000	3,000
Capital contributions:			
Repayment of long-term debt by the Province of Newfoundland		2,529,000	2,297,000
Debt service fund		165,182	132,312
Retained earnings		15,400	16,293
Total shareholders' equity		2,712,582	2,448,605
Total liablities and shareholders' equity		$5,186,250	$5,154,273

See accompanying notes

Signed on behalf of the Board of Directors

GILBERT G. GILL
Director

PHILIP J. WALL
Director

STATEMENT 2

GANDER HOSPITAL CORPORATION LIMITED

Statement of Income and Retained Earnings
For the year ended 31 March 1981

	1981	1980
INCOME		
Province of Newfoundland:		
Rental of hospital and nurses' residence	$409,487	$409,354
Interest on investments	11,312	13,538
	420,799	422,892
EXPENDITURE		
Debt charges:		
Payments to trustee for bondholders on account of principal and interest on First Mortgage Bonds:		
Principal	236,666	222,665
Interest	160,542	174,677
	397,208	397,342
Trustee's fees and sundry	1,608	1,605
Insurance	10,671	10,407
	409,487	409,354
Excess of revenue over expenditure	11,312	13,538
Retained earnings, beginning of year	16,293	15,200
	27,605	28,738
Amount paid to Province of Newfoundland	12,205	12,445
Retained earnings, end of year	$ 15,400	$ 16,293

See accompanying notes

GANDER HOSPITAL CORPORATION LIMITED

Notes to Financial Statements
31 March 1981

1. **Accounting policies**

   (a) **Fixed assets**

   Fixed assets are not being depreciated, but payments of principal and interest on long-term debt are expensed in the financial statements.

   Certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholders and which were paid for by the Lessee, are not included in these accounts.

   (b) **Interest income**

   All payments on account of principal and interest on the First Mortgage Bonds are paid into a Debt Service Fund. The interest on the Fund is recorded as interest income and is periodically paid to the Province as a distribution of retained earnings.

   (c) **Rental revenue**

   The rental revenue received from the Province is equal to the annual amount required to be paid on account of principal and interest and other expenses. Thus, prepaid expenses equal deferred revenue of the Corporation.

2. Principal payments coming due on the 6 1/4% Series "B" First Mortgage Bonds from 1982 to 1986 are: $246,000; $262,000; $279,000; $297,000 and $315,000 respectively.

3. Fixed assets have been pledged as security for the long-term debt.

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders
Grace Hospital Extension Corporation Limited
St. John's, Newfoundland

I have examined the balance sheet of the Grace Hospital Extension Corporation Limited as at 31 March 1980 and the statement of income and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at 31 March 1980 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

E.P. SWEENEY, C.A.
for J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
15 May 1981

GRACE HOSPITAL EXTENSION

Balance
31 March

	1980	1979
ASSETS		
Current assets:		
Accounts receivable	$ 5,012	$ 2,573
Accrued rent	108,500	108,500
Prepaid expenses	5,772	8,424
	119,284	119,497
Fixed assets,at cost: (Note 4)		
Land	3,000	3,000
Building and equipment:		
Nurses' residence, boiler house and laundry	4,134,354	4,134,354
Hospital extension	5,620,839	5,620,839
	9,758,193	9,758,193
Less: Government grant in aid of construction	984,167	984,167
	8,774,026	8,774,026
Organization expenses	260	260
Sinking Fund assets, held by trustee: (Notes 2 and 3)		
Series "A" Bonds:		
Cash	10,021	11,591
Investments, at cost	2,186,276	1,912,500
Accrued interest	29,611	27,433
	2,225,908	1,951,524
Series "B" Bonds:		
Cash	9,486	9,439
Investments, at cost	2,392,853	2,090,199
Accrued interest	21,579	19,757
	2,423,918	2,119,395
	4,649,826	4,070,919
Total assets	$13,543,396	$12,964,702

STATEMENT 1

CORPORATION LIMITED

Sheet
1980

		1980	1979
LIABILITIES			
Current liabilities:			
Accrued interest on bonds		$ 108,500	$ 108,500
Deferred revenue - per contra		5,772	8,424
		114,272	116,924
Long-term debt: (Note 4)			
First Mortgage Sinking Fund Bonds:			
6% Series "A" dated 30 June 1964 maturing 30 June 1989		3,900,000	3,900,000
6¼% Series "B" dated 1 February 1966 maturing 1 February 1991		4,800,000	4,800,000
		8,700,000	8,700,000
Total liabilities		8,814,272	8,816,924
SHAREHOLDERS' EQUITY			
Share Capital:			
Authorized:			
100 common shares of par value $1,000 each	$100,000		
Issued and fully paid:			
3 shares		3,000	3,000
Retained earnings		76,298	73,859
Sinking fund balances			
— Series "A" bonds		2,225,908	1,951,524
— Series "B" bonds		2,423,918	2,119,395
Total shareholders' equity		4,729,124	4,147,778
Total liabilities and shareholders' equity		$13,543,396	$12,964,702

See accompanying notes

Signed on behalf of the Board of Directors

D.G. NORRIS
Director

GILBERT G. GILL
Director

STATEMENT 2

GRACE HOSPITAL EXTENSION CORPORATION LIMITED

Statement of Income and Retained Earnings
For the year ended 31 March 1980

	1980	1979
REVENUE		
Province of Newfoundland:		
Rental of buildings	$738,748	$737,086
Interest income	2,439	1,877
	741,187	738,963
EXPENDITURE		
Debt charges:		
Payments to trustee for bondholders on account of principal and interest on First Mortgage Sinking Fund Bonds:		
Principal	182,287	182,287
Interest	534,000	534,000
	716,287	716,287
Trustee's fees and sundry	10,574	7,396
Fire insurance premiums	11,887	13,403
	738,748	737,086
Net income	2,439	1,877
Retained earnings, beginning of year	73,859	71,982
Retained earnings, end of year	$ 76,298	$ 73,859

See accompanying notes

GRACE HOSPITAL EXTENSION CORPORATION LIMITED

Notes to Financial Statements
For the year ended 31 March 1980

1. **Accounting policies**

(a) **Fixed assets**

Fixed assets are not being depreciated, but payments of principal and interest on long-term debt are expensed in the financial statements.

Certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholders and which were paid for by the Lessee, are not included in these financial statements.

(b) **Interest income**

All payments on account of principal and interest on the First Mortgage Bonds are paid into a Debt Service Fund. The interest on the Fund is recorded as interest income and is periodically paid to the Province as a distribution of surplus.

Interest earned on sinking fund investments is re-invested in the sinking fund and thus is not shown as income of the corporation.

(c) **Rental revenue**

The rental revenue received from the Province is equal to the annual amount required to be paid on account of principal and interest, and other expenses. Thus, accrued rent and deferred revenue equal accrued interest on bonds and prepaid expenses of the corporation.

2. Sinking Fund Investments held 31 March 1980 were as follows:

	Principal Amount	Market Value	Cost
Series "A" Bonds			
Grace Hospital Extension Corporation Limited Series "A" 6% maturing 30 June 1989	$1,576,000	$ 913,528	$1,208,808
Province of Newfoundland 10 3/8% maturing 15 May 1995	80,000	60,958	78,200
G.I.C. Deposit, Montreal Trust Company 10% maturing 21 April 1980	899,268	899,268	899,268
	$2,555,268	$1,873,754	$2,186,276
Series "B" Bonds			
Grace Hospital Extension Corporation Limited Series "B" 6¼% maturing 1 February 1991	$1,821,000	$1,022,146	$1,412,023
G.I.C. Deposit, Montreal Trust Company 10% maturing 21 April 1980	980,830	980,830	980,830
	$2,801,830	$2,002,976	$2,392,853

3. During each of the ensuing five years payments of $81,715 principal and $234,000 interest are required to be made to Series "A" Sinking Fund. Also, during the same period yearly payments of $100,572 principal and $300,000 interest are required to be made to Series "B" Sinking Fund.

4. The fixed assets have been pledged as security for the long-term debt.

DEPARTMENT OF THE AUDITOR GENERAL

St. John's, Newfoundland

AUDITOR'S REPORT

The Shareholders
Grand Falls Hospital Corporation Limited
St. John's, Newfoundland

I have examined the balance sheet of the Grand Falls Hospital Corporation Limited as at 31 March 1981 and the statement of income and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at 31 March 1981 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
12 January 1983

GRAND FALLS HOSPITAL

Balance

31 March

	1981	1980
ASSETS		
Current assets:		
Accounts receivable	$ 4,240	$ 1,238
Prepaid expenses	3,669	3,670
	7,909	4,908
Fixed assets, at cost (Note 3)		
Land	3,000	3,000
Buildings	4,838,557	4,838,557
	4,841,557	4,841,557
Less: Government grant-in-aid of construction	654,607	654,607
	4,186,950	4,186,950
Intangible assets:		
Organization expense	240	240
Debt service fund:		
Investments held by trustees	47,421	23,680
Total assets	$4,242,520	$4,215,778

STATEMENT 1

CORPORATION LIMITED

Sheet
1981

LIABILITIES

Current liabilities:			
Accounts payable - trustee's fees		$ 1,210	$ 1,157
Deferred revenue		3,669	3,669
Current portion of long-term debt		191,000	179,000
		195,879	183,826
Long-term debt: (Notes 2 and 3) 6 1/2% Series "B" First Mortgage Sinking Fund Bonds, dated 1 March 1961, maturing 1 September 1987		1,294,000	1,485,000
Total liabilities		1,489,879	1,668,826

SHAREHOLDERS' EQUITY

Share capital:			
Authorized:			
100 common shares, par value of $1,000 each	$100,000		
Issued and fully paid:			
3 shares		3,000	3,000
Capital contributions:			
Central Newfoundland Hospital Committee		663,765	663,765
Repayment of long-term debt by Province of Newfoundland		2,015,000	1,836,000
		2,678,765	2,499,765
Retained earnings		23,455	20,507
Debt service fund balance		47,421	23,680
Total shareholders' equity		2,752,641	2,546,952
Total liabilities and shareholders' equity		$4,242,520	$4,215,778

See accompanying notes

Signed on behalf of the Board of Directors

GILBERT G. GILL
Director

PHILIP J. WALL
Director

STATEMENT 2

GRAND FALLS HOSPITAL CORPORATION LIMITED

Statement of Income and Retained Earnings
For the year ended 31 March 1981

	1981	1980
REVENUE		
Province of Newfoundland		
Rental of hospital and nurses' residence	$300,223	$309,185
Interest	8,006	9,707
	308,229	318,892
EXPENDITURE		
Debt charges		
Payments to trusteee for bondholders on account of principal and interest on First Mortgage Sinking Fund Bonds:		
Principal	180,000	169,833
Interest	104,330	123,866
	284,330	293,699
Trustee's fees and sundry	1,215	1,172
Fire insurance	14,678	14,314
	300,223	309,185
Net income	8,006	9,707
Retained earnings, beginning of year	20,507	20,507
	28,513	30,214
Amount paid to Province of Newfoundland	5,058	9,707
Retained earnings, end of year	$ 23,455	$ 20,507

See accompanying notes

GRAND FALLS HOSPITAL CORPORATION LIMITED

Notes to Financial Statements
31 March 1981

1. **Accounting policies**

(a) **Fixed assets**

Fixed assets are not being depreciated, but payments of principal and interest on long-term debt are expensed in the financial statements. Certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholder and which were paid for by the Lessee, are not included in these accounts.

(b) **Interest income**

All payments on account of principal and interest on the First Mortgage Bonds are paid into a Debt Service Fund. The interest on the Fund is recorded as interest income and is periodically paid to the Province as a distribution of surplus.

(c) **Rental revenue**

The rental revenue received from the Province is equal to the annual amount required to be paid on account of principal and interest and other expenses. Thus, deferred revenue equals prepaid expenses of the Corporation.

2. Principal payments coming due on the First Mortgage Sinking Fund Bonds from 1982 to 1986 are: $191,000; $203,000; $216,000; $230,000 and $246,000 respectively.

3. Fixed assets have been pledged as security for the long-term debt.

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders
Hotel Buildings Limited
St. John's, Newfoundland

I have examined the balance sheet of Hotel Buildings Limited as at 31 March 1981 and the statement of revenue, expenditure and deficit for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances. I did not perform an audit of those accounts of the company which are maintained by Atlific (Nfld.) Limited, operator of the company's hotels, restaurants and bars. The relevant accounts maintained by the operator are included herein based upon financial statements reported upon by other auditors.

Note 1 indicates that the company is not depreciating any of its fixed assets. In this respect the financial statements are not in accordance with generally accepted accounting principles. Those assets have been acquired during the last 16 years, and as explained in Notes 2 and 3, Atlific (Nfld.) Limited in 1966 was appointed the sole and exclusive operating manager of the hotels owned by the company for a period of 25 years. At any time within this 25 year period, Atlific (Nfld.) Limited has the option to purchase the premises and all additions and extensions thereto at a price equal to the total cost of the project at the date of exercise of the option.

In my opinion, except for the effects of the failure to record depreciation as described in the preceding paragraph, these financial statements present fairly the financial position of the company as at 31 March 1981 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
4 January 1983

HOTEL BUILDINGS

Balance
31 March

	1981	1980
ASSETS		
Current assets		
Cash	$ 239,396	$ 242,592
Accounts receivable - less allowance for doubtful accounts - 1981 $56,151 - 1980 $137,386	410,164	427,153
Inventory, at lower of cost or replacement cost	83,743	63,050
Prepaid expenses	105,660	122,523
	838,963	855,318
Investment in Bally Haly Golf and Country Club	200	200
Fixed assets - at cost, Schedule I (Note 6)	19,190,447	18,542,898
Deferred charges - plans and specifications	58,351	58,351
Organization expenses	264	264
Total assets	$20,088,225	$19,457,031

STATEMENT 1

LIMITED

Sheet

1981

LIABILITIES LESS DEFICIT

		1981	1980
Current liabilities			
Accounts payable and accrued liabilities		$ 736,610	$ 595,149
Due to Atlific (Nfld.) Limited - operator		25,646	285,682
Current portion of long-term liabilities ($450,000 U.S.)		538,380	525,825
		1,300,636	1,406,656
Newfoundland Industrial Development Corporation 6 1/2% demand loan		2,110,479	2,698,682
Province of Newfoundland			
Debenture interest paid pursuant to guarantee		6,858,204	6,525,111
Debenture principal redeemed pursuant to guarantee		5,226,163	4,700,338
Interest on advances of funds pursuant to guarantee		9,289,123	7,420,810
Non-interest bearing advances		580,175	580,175
		21,953,665	19,226,434
Long-term liabilities, Schedule 2 (Notes 4, 5 and 6)		3,870,174	4,353,947
Total liabilities		29,234,954	27,685,719
Suspense			
Unrealized loss on foreign exchange		(54,607)	(42,053)
Share capital			
Authorized			
100 common shares of par value $1,000 each	$100,000		
Issued and fully paid			
3 shares		3,000	3,000
Deficit		(9,095,122)	(8,189,635)
Total liabilities less deficit		$ 20,088,225	$19,457,031

See accompanying notes

Signed on behalf of the Board of Directors

GILBERT G. GILL
Director

PHILIP J. WALL
Director

STATEMENT 2

HOTEL BUILDINGS LIMITED

Statement of Revenue, Expenditure and Deficit
For the year ended 31 March 1981

	1981	1980
REVENUE		
Departmental profits (losses)		
Rooms	$ 3,487,327	$ 2,997,796
Food and beverage	862,052	861,840
Telephone	(93,217)	(87,735)
Other	132,466	126,611
	4,388,628	3,898,512
Realized gain (loss) on foreign exchange	(42,053)	(43,336)
Total revenue	4,346,575	3,855,176
EXPENDITURE		
Overhead expenses		
Administrative and general	1,412,099	1,251,107
Advertising and business promotion	236,613	274,773
Heat, light and power	466,921	475,452
Maintenance and repairs	481,181	432,688
Insurance	27,854	35,533
Municipal taxes	275,540	247,462
Interest and financing charges	2,351,854	2,127,933
Total expenditure	5,252,062	4,844,948
Excess of expenditure over revenue	905,487	989,772
Deficit, beginning of year	8,189,635	7,199,863
Deficit, end of year	$ 9,095,122	$ 8,189,635

See accompanying notes

SCHEDULE 1

HOTEL BUILDINGS LIMITED

Fixed Assets
31 March 1981

	1981	1980
Fixed assets, at cost		
St. John's —		
Land	$ 260,940	$ 260,940
Building	5,783,541	5,694,079
Equipment and furniture	1,459,935	1,351,496
	7,504,416	7,306,515
Clarenville —		
Land	36,510	36,510
Building	2,504,550	2,496,451
Equipment and furniture	489,089	452,570
	3,030,149	2,985,531
Gander —		
Land	24,280	24,280
Building	2,476,176	2,458,427
Equipment and furniture	460,688	437,252
	2,961,144	2,919,959
Corner Brook —		
Land	273,386	273,386
Building	3,666,515	3,514,732
Equipment and furniture	921,323	748,289
	4,861,224	4,536,407
Hotel Port aux Basques —		
Land	19,500	19,500
Building	652,423	631,701
Equipment and furniture	161,591	143,285
	833,514	794,486
Total	$19,190,447	$18,542,898

See accompanying notes

SCHEDULE 2

HOTEL BUILDINGS LIMITED

Long-Term Liabilities
31 March 1981

		1981	1980
6 1/2% Guaranteed debentures dated 18 August 1966 and 17 January 1967, maturing 31 December 1989, fully guaranteed by the Province of Newfoundland —			
Issued ($9,000,000 U.S.)		$9,675,438	$9,675,438
Redeemed ($4,950,000 U.S.)	$5,321,492		
Current portion of long-term debt ($450,000 U.S.)	483,772	5,805,264	5,321,491
Outstanding ($3,600,000 U.S.)		$3,870,174	$4,353,947

See accompanying notes

HOTEL BUILDINGS LIMITED

Notes to Financial Statements

31 March 1981

1. **Summary of accounting policies**

   (a) **Fixed assets**

   No provision for depreciation of fixed assets has been charged in the accounts of the Company.

   (b) **Foreign exchange**

   Conversion of U.S. dollars to Canadian dollars was made at the appropriate rates prevailing when the debenture debt was incurred. The instalment of long-term debt payable within one year is converted to Canadian at the estimated rate of exchange in effect on the date of payment. The difference between the original carrying value of the instalment and the estimated amount is shown as a Suspense Account in the balance sheet.

2. Under an indenture dated 29 September 1966, Atlific (Nfld.) Limited, the operator of the hotels, was granted options: (a) to purchase the shares of the Company or (b) to purchase the premises and all additions and extensions therto. These options are exercisable within a period of twenty-five years from the date of indenture and under either option the payment is to be the total cost of the project at the date of exercise of the option.
3. Under an agreement dated 29 September 1966, Atlific (Nfld.) Limited was appointed the sole and exclusive operating manager of the hotels owned by the Company, for a period of twenty-five years from the date of the agreement.

4. On 30 June and 31 December in each year, the Company is required to apply to the prepayment of the debenture without premiums, an amount equal to 2 1/2% of the aggregate principal amount of the debentures issued. The prepayment commenced 30 June 1970 and will end 31 December 1989.

5. The balance of long-term liabilities outstanding, $3,600,000 U.S., converted to Canadian at the rate of exchange prevailing on 31 March 1981, equals $4,267,080.

6. The fixed assets have been pledged as security for the long-term liabilities.

7. **Income taxes**

   The Company is a Crown Corporation and, therefore, is not subject to either Provincial or Federal Income Taxes.

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AUDITOR'S REPORT

To the Shareholders of
Marystown Shipyard Limited

We have examined the balance sheet of Marystown Shipyard Limited as at March 28, 1981 and the statements of income and deficit and changes in financial position for the fifty-two weeks then ended, and have obtained all the information and explanations we have required. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements are properly drawn up so as to exhibit a true and correct view of the financial position of the company as at March 28, 1981 and the results of its operations and the changes in its financial position for the fifty-two weeks then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

H.R. DOANE AND COMPANY
Chartered Accountants

Marystown, Newfoundland
June 11, 1981

MARYSTOWN

Balance
March 28,

	1981	1980
ASSETS		
Current		
Receivables (Note 2)	$ 4,466,131	$ 1,864,211
Unbilled contract revenue	5,068,619	10,667,255
Inventories, at the lower of cost and net realizable value	2,340,019	2,404,154
Prepaid expenses	316,185	223,930
	12,190,954	15,159,550
Land, buildings, wharves and equipment (Note 3)	12,800,921	13,103,043
	$24,991,875	$28,262,593

SHIPYARD LIMITED

Sheet
1981

	1981	1980
LIABILITIES		
Current		
Bank indebtedness (Note 4)	$10,311,774	$ 5,379,102
Payables and accruals		
Trade	12,520,670	16,464,258
Long term debt payable within one year		2,035,300
Accrual for estimated loss on uncompleted portion of shipbuilding contract		3,605,765
	22,832,444	27,484,425
Long term, less amount payable within one year		5,000,000
	22,832,444	32,484,425
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Capital stock (Note 5)	23,314,000	15,314,000
Deficit	(21,154,569)	(19,535,832)
	2,159,431	(4,221,832)
	$24,991,875	$28,262,593

On behalf of the Board:

______________________ Director

______________________ Director

MARYSTOWN SHIPYARD LIMITED

Statement of Income and Deficit
Fifty-Two Weeks ended March 28, 1981

	1981	1980
Revenue	$31,450,027	$35,744,386
Production costs		
Direct	28,816,947	36,682,792
Overhead	5,519,628	4,766,678
Increase (decrease) in provision for estimated loss on uncompleted portion of shipbuilding contract	(3,605,765)	1,828,493
	30,730,810	43,277,963
Operating income (loss) before interest and grant	719,217	(7,533,577)
Interest	1,705,069	339,018
Interest on long term debt	632,885	1,020,531
	2,337,954	1,359,549
Operating loss before grant	1,618,737	8,893,126
Operating grant - Government of Newfoundland and Labrador		3,500,000
Net loss	1,618,737	5,393,126
Deficit, beginning of year	19,535,832	14,142,706
Deficit, end of year	$21,154,569	$19,535,832

MARYSTOWN SHIPYARD LIMITED

Statement of Changes in Financial Position
Fifty-Two Weeks ended March 28, 1981

	1981	1980
Source		
Operating grant - Government of Newfoundland and Labrador	$	$ 3,500,000
Government grant relating to cost of fixed assets	530,100	
Sale of equipment	1,200	
Issue of capital stock	8,000,000	
	8,531,300	3,500,000
Application		
Operations		
Operating loss before grant	1,618,737	8,893,126
Depreciation	(348,816)	(333,883)
	1,269,921	8,559,243
Purchase of		
Paving	1,800	4,250
Building additions	215,712	209,324
Equipment	360,482	339,193
Reduction of long term debt	5,000,000	
	6,847,915	9,112,010
Increase (decrease) in working capital deficiency	(1,683,385)	5,612,010
Working capital deficiency, beginning of year	12,324,875	6,712,865
Working capital deficiency, end of year	$10,641,490	$12,324,875

MARYSTOWN SHIPYARD LIMITED

Notes to Financial Statements
March 28, 1981

1. **Accounting policies**

(a) Income recognition

Revenues from contracts are recognized on the percentage-of-completion method. Under this method, the percentage of completion is determined by relating the actual production costs incurred to date (on a component basis) to the current estimated total production costs for each contract. However, until progress on a contract reaches a point where management can determine with reasonable accuracy the estimated final results, revenues are recognized only to the extent of costs incurred. The performance of such contracts may extend over several years; therefore periodic review of estimated final revenues and costs are necessary during the term of the contracts. Final contract settlements and periodic reviews may result in revisions to estimated final contract profits or losses which have the effect of including cumulative adjustments of income in the period the revisions are made. Anticipated losses on uncompleted contracts are provided for in full in the period in which the losses become evident.

(b) Production costs

The cost components charged to contracts are direct labour, direct materials, financing costs and overhead expenses except interest. Direct materials are charged to production costs at the point purchases are committed.

(c) Depreciation

Depreciation is recorded on a straight-line basis over the estimated useful life of the assets. The estimated useful life of each major class of asset is as follows:

Buildings	50 years
Wharves	50 years
Equipment	10 - 50 years

(d) Foreign currency translation

Current assets and current liabilities in foreign currencies have been translated at exchange rates in effect at March 28, 1981; income and expenses at average exchange rates during the period. Exchange gains or losses resulting from translation are reflected in income.

(e) Government assistance

Government grants relating to the acquisition of fixed assets are deducted from the cost of the asset. During the year a grant of $530,100 receivable under the Shipbuilding Industry Assistance Program and representing 50 percent of the approved costs was deducted from the cost of additions to fixed assets.

(f) Warrenty

The company recognizes the estimated cost of warrenty to its customers at the time vessels are delivered.

2. **Receivables**

	1981	1980
Trade (less allowance for doubtful accounts $96,575; 1980 $95,855)	$3,806,131	$1,864,211
Shipyard Improvement Assistance Program - grant	660,000	
	$4,466,131	$1,864,211

3. Land, buildings, wharves and equipment

		1981		1980
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	$ 111,950	$	$ 111,950	$ 110,150
Buildings	6,149,048	1,335,323	4,813,725	4,956,172
Wharves	5,712,749	1,341,366	4,371,383	4,475,862
Equipment	4,832,315	1,328,452	3,503,863	3,560,859
	$16,806,062	$4,005,141	$12,800,921	$13,103,043

4. Bank indebtedness

	1981	1980
Bank overdraft	$ 553,136	$ 579,102
Demand loans	9,758,638	4,800,000
	$10,311,774	$5,379,102

The demand loans are at prime rate of interest and are secured by the following:

(a) General assignment of book debts
(b) Assignment of inventories
(c) Deficiency guarantee of the Province of Newfoundland and Labrador

The company is in the process of restructuring its bank financing and when completed the existing bank indebtedness will be replaced by the following:

(a) A demand loan of $2,500,000 with the same terms and conditions as presently held by the bank.

(b) A demand loan of $9,000,000 secured by a first mortgage over fixed assets of the company and a deficiency guarantee of the Province of Newfoundland and Labrador, repayable in thirty semi-annual instalments commencing in 1982.

5. Capital stock

	1981	1980
Authorized		
24,000 6% non-cumulative redeemable non-voting preference shares with par value of $1,000 each		
100 common shares with par value of $1,000 each		
Issued and outstanding		
23,311 preference shares	$23,311,000	$15,311,000
3 common shares	3,000	3,000
	$23,314,000	$15,314,000

During the year, the authorized capital stock of the company was increased by the creation of an additional 8,000 6% non-cumulative redeemable non-voting preference shares with par value of $1,000 each. These additional 8,000 preference shares were issued during the year for cash.

6. Contingent liability

A grant of $660,000 receivable under the Shipbuilding Industry Assistance Program is subject to repayment if the company fails to comply with the terms and conditions of the Program.

MARYSTOWN SHIPYARD LIMITED

Overhead Expenses
Fifty-Two Weeks ended March 28, 1981

	1981	1980
Administration	$ 674,576	$ 524,351
Depreciation	348,816	333,883
Heat	133,741	121,155
Insurance	289,299	234,803
Maintenance	877,999	961,522
Power	172,449	163,038
Security	132,623	128,171
Salaries and benefits	2,048,423	1,744,085
Shop supplies and cleaning	841,702	555,670
	$5,519,628	$4,766,678

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders
Memorial University of Newfoundland
Building Corporation Limited

I have examined the balance sheet of the Memorial University of Newfoundland Building Corporation Limited as at 31 March 1981 and the statement of revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Memorial University of Newfoundland Building Corporation Limited as at 31 March 1981 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's
23 July 1982

MEMORIAL UNIVERSITY
BUILDING

Balance
31 March

	1981	1980
Assets		
Current assets		
Prepaid expenses	$ 1,744	$ 1,744
Fixed assets, at cost (Note 4)		
Land and improvements	369,843	369,843
Buildings	13,274,109	13,274,109
	13,643,952	13,643,952
Less: Government grant in aid of construction	2,800,914	2,800,914
	10,843,038	10,843,038
Organization expenses	579	579
Debt service fund		
Cash held by the trustee	360,662	361,235
	$11,206,023	$11,206,596

OF NEWFOUNDLAND CORPORATION LIMITED

Sheet

1981

		1981	1980
Liabilities			
Current liabilities			
Deferred revenue - per contra		$ 1,744	$ 1,744
Long-term debt due within one year		613,181	579,277
		614,925	581,021
Long-term liability (Notes 2, 3 and 4)			
6 1/4% First Mortgage Bonds, dated 1 November 1959, maturing serially 1 May and 1 November 1969-86		3,278,043	3,891,223
Foreign exchange adjustment account		116,025	116,025
		4,008,993	4,588,269
Shareholders' Equity			
Share capital			
Authorized			
500 common shares of par value of $1,000 each	$500,000		
Issued and fully paid			
72 shares		72,000	72,000
Capital contributions			
Repayment of long-term debt by Province of Newfoundland		6,764,368	6,185,092
Debt service fund		360,662	361,235
		$11,206,023	$11,206,596

See accompanying notes

Signed on behalf of the Board of Directors

PHILIP J. WALL
Director

GILBERT GILL
Director

MEMORIAL UNIVERSITY OF NEWFOUNDLAND BUILDING CORPORATION LIMITED

Statement of Revenue and Expenditure
For the year ended 31 March 1981

		1981	1980
Revenue			
Province of Newfoundland			
Rental of buildings		**$1,045,848**	**$1,034,598**
Expenditure			
Debt charges			
Payment to trustee for bondholders on account of principal and interest on First Mortgage Bonds:			
Principal	**$613,000**		
Interest	**263,708**		
	$876,708 U.S.	**$1,030,973**	**$1,017,910**
Trustee's fees and sundry		**4,413**	**4,408**
Fire insurance		**10,462**	**12,280**
		$1,045,848	**$1,034,598**

See accompanying notes

MEMORIAL UNIVERSITY OF NEWFOUNDLAND BUILDING CORPORATION LIMITED

Notes to Financial Statements
For the year ended 31 March 1981

1. **Accounting policies**

   (a) **Fixed assets**

   Fixed assets are not being depreciated but payments of principal and interest on long-term debt are expensed in the financial statements.

   Certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholders and which were paid for by the Lessee, are not included in these financial statements.

   (b) **Rental revenue**

   The rental revenue received from the Province is equal to the annual amount required to be paid on account of principal and interest, and other expenses. Thus, deferred revenue equals prepaid expenses of the Corporation.

2. The 6 1/4% First Mortgage Bonds are stated in Canadian Dollars at the net realization amount at the time of issue. At 31 March 1981 the Canadian equivalent of the outstanding principal amount of $4,017,000 U.S., translated at current exchange rates, was $4,761,752.

3. Principal payments coming due on the 6 1/4% First Mortgage Bonds from 1981-82 to 1985-86 are $633,000; $674,000; $717,000; $762,000; and $808,000 respectively. These payments are in U.S. dollars.

4. Fixed assets have been pledged as security for the long-term debt.

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders
Mooring Cove Building Company
Limited
St. John's, Newfoundland

I have examined the balance sheet of the Mooring Cove Building Company Limited as at 31 March 1981 and the statement of income and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Company as at 31 March 1981 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
14 December 1982

MOORING COVE BUILDING

Balance
31 March

	1981	1980
ASSETS		
Current assets:		
Cash	$ 1,209	$ 1,235
Accrued rent (Note 3)	251,029	254,814
Total current assets	252,238	256,049
Fixed assets, at cost:		
Mooring Cove Fish Processing Plant —		
Land	68,053	68,053
Building, machinery and equipment	9,531,947	9,531,947
	9,600,000	9,600,000
Less: received under lease purchase agreement (Note 2)	1,876,027	1,759,570
Total fixed assets	7,723,973	7,840,430
Total assets	$7,976,211	$8,096,479

COMPANY LIMITED

STATEMENT 1

Sheet
1981

		1981	1980
LIABILITIES			
Current liabilities:			
Current portion of long-term debt		$ 124,150	$ 116,458
Accrued interest		251,029	254,814
Total current liabilities		375,179	371,272
Long-term debt: (Note 4)			
Newfoundland Industrial Development Corporation, 6 1/2% demand loan		7,599,823	7,723,973
Total liabilities		7,975,002	8,095,245
SHAREHOLDERS' EQUITY			
Share capital:			
Authorized 10,000 common shares of par value of $10 each	$100,000		
Issued and fully paid 30 shares		300	300
Retained earnings		909	934
Total shareholders' equity		1,209	1,234
Total liabilities and shareholders' equity		$7,976,211	$8,096,479

See accompanying notes

Signed on behalf of the Board of Directors:

GILBERT G. GILL
Director

PHILIP J. WALL
Director

STATEMENT 2

MOORING COVE BUILDING COMPANY LIMITED

Statement of Income and Retained Earnings
For the year ended 31 March 1981

	1981	1980
REVENUE		
Rental of fish processing plant (Note 3)	$509,539	$511,432
EXPENDITURE		
Demand loan interest	509,539	511,432
Miscellaneous expense	25	25
	509,564	511,457
Loss	25	25
Retained earnings, beginning of year	934	959
Retained earnings, end of year	$ 909	$ 934

See accompanying notes

MOORING COVE BUILDING COMPANY LIMITED

Notes to Financial Statements

31 March 1981

1. **Accounting policies**

   (a) **Fixed assets**

   No depreciation has been taken on the fixed assets, however, the principal portion of the rental payments made by the lessee has been applied to reduce the book value of the fixed assets.

   (b) **Rental revenue**

   Rental payments made by the lessee under the lease have been accounted for by the company as follows:

   (i) That portion relating to the amortization of the capital cost of the assets has been applied in reduction of the book value of the fixed assets of the company.

   (ii) That portion relating to interest charges has been treated as revenue.

2. The land and fish processing plant owned by the company and situated at Mooring Cove are leased to Fishery Products Limited for a period of thirty years commencing on 31 March 1976. Annual rental payments required by the lease are equal to the company's annual long-term debt payments of principal and interest and are payable in equal semi-annual instalments on 1 April and 1 October in each year. At any time during the term of the lease, Fishery Products Limited has the option to purchase the leased properties as specified in the lease agreement dated 31 March 1976.

3. Accrued rent ($61,083) at 31 March 1981 relating to the amortization of principal for the period 1 October 1980 to 31 March 1981 is not included in the financial statements. This portion of rent will appear in the financial statements of the company in the period in which it is received.

4. Principal payments coming due on the 6 1/2% demand loan from 1981-82 to 1985-86 are: $124,150; $132,351; $141,094; $150,414 and $160,350 respectively.

DEPARTMENT OF FINANCE

MOTOR VEHICLE ACCIDENT SECURITY ACCOUNT

Statement of Receipts and Disbursements
For the year ended 31 March 1981

	1981	1980
Bank balance, beginning of year	$1,807	$3,403
Receipts:		
Security for accidents	855	600
	2,662	4,003
Disbursements:		
On account of depositors	1,254	2,196
Bank balance, end of year	$1,408	$1,807

Signed on behalf of the Motor Vehicle Accident Security Account

B.G. CAREW
Comptroller General

AUDITOR'S REPORT

I have examined the above statement of receipts and disbursements of the Motor Vehicle Accident Security Account for the year ended 31 March 1981. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, this financial statement presents fairly the receipts and disbursements of the account for the year ended 31 March 1981 prepared on a cash basis of accounting consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
9 November 1981

GOVERNMENT OF NEWFOUNDLAND AND LABRADOR
Department of the Auditor General

AUDITOR'S REPORT

To the Shareholders
Newfoundland and Labrador
Computer Services Limited
St. John's, Newfoundland

I have examined the balance sheet of Newfoundland and Labrador Computer Services Limited as at 31 March 1981 and the statements of income and retained earnings and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the company as at 31 March 1981 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
17 June 1981

STATEMENT I

NEWFOUNDLAND AND LABRADOR COMPUTER SERVICES LIMITED

Balance Sheet
31 March 1981

		1981	1980
Assets			
Current assets:			
Accounts receivable (Note 2)		$1,223,035	$1,394,007
Prepaid expenses and supplies		93,166	99,076
Total current assets		1,316,201	1,493,083
Fixed assets (Note 3)		2,977,382	3,938,268
Deferred charges and other assets, at cost		441,029	286,920
Less: Accumulated amortization and accumulated depreciation		231,091	193,668
		209,938	93,252
Total assets		$4,503,521	$5,524,603
Liabilities and Shareholders' Equity			
Current liabilities:			
Bank indebtedness (Note 2)		$ 56,928	$ 475,280
Accounts payable and accrued liabilities		455,254	310,582
Deferred revenue		15,859	—
Current portion of long-term debt		734,148	589,094
Total current liabilities		1,262,189	1,374,956
Long-term debt, less current portion (Notes 2 and 4)		2,328,620	3,499,294
Shareholders' equity			
Share capital			
Authorized 100 common shares, par value of $100 each	$10,000		
Issued and fully paid 3 shares		300	300
Retained earnings		912,412	650,053
		912,712	650,353
Total liabilities and shareholders' equity		$4,503,521	$5,524,603

See accompanying notes.

Signed on behalf of the Board

Dr. L. Harris, Chairman

H.S. Miller, President

STATEMENT 2

NEWFOUNDLAND AND LABRADOR COMPUTER SERVICES LIMITED

Statement of Income and Retained Earnings for the year ended 31 March 1981

	1981	1980
Operating revenue (Schedule 1)	$7,302,791	$6,244,140
Operating expenses (Schedule 1)	5,366,893	4,588,791
Operating income	1,935,898	1,655,349
Gain on disposal of fixed assets	688	—
	1,936,586	1,655,349
Other charges — depreciation	1,149,000	920,744
— amortization	10,541	14,207
— interest — on long-term debt	500,987	629,629
— other	13,699.	34,407
	1,674,227	1,598,987
Net income for the year	262,359	56,362
Retained earnings, beginning of year	650,053	593,691
Retained earnings, end of year	$ 912,412	$ 650,053

See accompanying notes.

STATEMENT 3

NEWFOUNDLAND AND LABRADOR COMPUTER SERVICES LIMITED

Statement of Changes in Financial Position
For the year ended 31 March 1981

	1981	1980
Funds provided:		
Net income for the year	$ 262,359	$ 56,362
Add (deduct) items not resulting in an inflow or outflow of funds:		
Depreciation (Note 5)	1,149,000	920,744
Amortization	10,541	14,207
Gain on disposal of fixed assets	(688)	—
Funds from operations	1,421,212	991,313
Proceeds on disposal of fixed assets	3,850	—
Total funds provided	1,425,062	991,313
Funds applied:		
Additions to fixed assets	136,829	101,812
Increase in deferred charges and other assets	181,674	63,547
Reduction of long-term debt	1,170,674	567,724
Total funds applied	1,489,177	733,083
Increase (decrease) in working capital	(64,115)	258,230
Working capital (deficiency) — beginning of year	118,127	(140,103)
Working capital — end of year	$ 54,012	$ 118,127
Represented by:		
Current assets	$1,316,201	$1,493,083
Current liabilities	1,262,189	1,374,956
	$ 54,012	$ 118,127

See accompanying notes

SCHEDULE 1

NEWFOUNDLAND AND LABRADOR COMPUTER SERVICES LIMITED

Schedule of Revenue and Operating Expenses
For the year ended 31 March 1981

	1981	1980
Revenue		
Computer time	$3,684,469	$3,518,918
Systems and programming	2,125,539	1,579,533
Data preparation	460,643	393,322
Production control and file charges	575,689	396,902
Other	456,451	355,465
	$7,302,791	$6,244,140
Operating Expenses		
Salaries	$3,678,071	$3,247,056
Fringe benefits	279,838	244,479
Rent — computer equipment	578,662	390,053
Data processing operating supplies	211,929	169,802
Stationery and office supplies	64,306	51,726
Moving and delivery charges	16,687	8,633
Repairs and maintenance	271,666	214,804
Travelling	40,470	31,344
Telephone and telegrams	50,037	47,838
Light and power	60,695	54,364
Staff training	29,475	17,061
Insurance	18,567	19,731
Advertising and publicity	9,128	8,089
Membership and subscriptions	11,069	8,920
General	45,318	49,739
Professional fees	975	25,152
	$5,366,893	$4,588,791

See accompanying notes.

NEWFOUNDLAND AND LABRADOR COMPUTER SERVICES LIMITED

Notes to Financial Statements
For the year ended 31 March 1981

1. **Accounting Policies**

   (a) **Fixed assets**
   All fixed assets are capitalized at cost at the time of acquisition. Depreciation is calculated by the straight-line method based on the expected future life of all assets as follows:

Computer equipment	36 to 56 months
Office furniture and equipment	36 to 120 months
Building	240 months
Automotive equipment	36 months

   (b) **Deferred charges and other assets**
   All deferred charges and other assets are capitalized at cost at the time of acquisition. Depreciation is calculated by the straight-line method over a 36-month period with the exception of employee relocation expenses which are amortized over a 20 month period beginning 4 months after commencement of employment.

   (c) **Allowance for doubtful accounts**
   Due to the financial relationship between the Province of Newfoundland and the Corporation there will not be material bad debt losses, and therefore, no allowance for doubtful accounts has been provided for in these financial statements.

(d) **Income taxes**
This Corporation is a Crown Corporation and, therefore, is not subject to either Provincial or Federal income taxes.

2. The accounts receivable have been assigned as security for all bank indebtedness.

3. **Fixed Assets**

	Cost	Accumulated Depreciation	Net Book Value 1981	Net Book Value 1980
Computer equipment	$3,085,677	$2,681,439	$ 404,238	$1,182,675
Office furniture & equipment	812,462	381,951	430,511	409,504
Building	2,610,546	477,445	2,133,101	2,263,628
Automotive equipment	16,044	6,512	9,532	2,461
	$6,524,729	$3,547,347	$2,977,382	$3,938,268

4. **Long-term debt, less current portion**

	Interest Rate	Year of Maturity	Balance 1981	Balance 1980
Bank of Montreal Loans				
Computer 370/158	Prime + ¼ %	1981 (A)(F)(G)	$	$ 711,538
5.5 megabytes core	Prime + ¼ %	1981 (B)(F)	—	70,402
Microfiche unit	Prime + ¼ %	1981 (B)(E)(F)	—	30,174
Building	Prime	1997 (C)(E)(G)	2,229,620	2,500,108
Furniture	Prime + ½ %	1987(D)(E)	99,000	117,000
I.B.M. Canada Limited				
Optical character reader	12¼ %	1981 (H)	—	18,104
Peripheral equipment	12¾ %	1981 (H)	—	51,968
			$2,328,620	$3,499,294

(a) This bank indebtedness is repayable in fixed monthly payments on principal of $52,553 plus interest.

(b) This bank indebtedness is repayable in blended monthly instalments and is estimated to mature as noted above.

(c) This bank indebtedness is repayable in fixed monthly payments on principal of $11,987 plus interest.

(d) This bank indebtedness is repayable in fixed monthly payments on principal of $1,500 plus interest.

(e) Secured by a letter of undertaking from the Province of Newfoundland to the effect that the Province will ensure that sufficient funds will be available to the Corporation to meet its debt charges on these loans.

(f) Secured by a chattel mortgage.

(g) Secured by assignment of fire insurance.

(h) Title to these assets remains with I.B.M. of Canada Limited until these instalment loans are fully paid.

It is estimated that principal repayments of long-term debt over the next five years will be as follows:

Year ending 31 March 1982	$734,148
1983	161,846
1984	161,846
1985	161,846
1986	161,846

5. The estimated useful life of the main computer has been changed from 62 months to 56 months. As a result of this change depreciation expense for the year increased by $205,514.

6. Certain 1979-80 figures have been reclassified to conform with the current year's presentation.

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AUDITORS' REPORT

To The Shareholders of
Newfoundland and Labrador Development Corporation Limited

We have examined the balance sheet of Newfoundland and Labrador Development Corporation Limited as at 31st March 1981 and the statements of revenue and expenses and changes in loan and equity investments for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at 31st March 1981 and the results of its operations and the changes in its loan and equity investments for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

BAIRD & BAIRD
Chartered Accountants

St. John's, Newfoundland
24th April 1981

NEWFOUNDLAND AND CORPORATION

Balance
As at 31st March

	1981	1980
ASSETS		
Loan and Equity Investments (note 2)	18,065,367	16,960,984
Cash and Short-Term Deposits	6,594,538	4,491,657
Accounts Receivable (note 3)	84,178	336,311
	$ 24,744,083	$21,788,952

LABRADOR DEVELOPMENT LIMITED

Sheet
1981

	1981	1980
LIABILITIES		
Accounts Payable	43,583	88,452
Long-Term Debt (note 4)	24,700,000	21,700,000
	24,743,583	21,788,452
SHAREHOLDERS' EQUITY		
Capital Stock		
Authorized —		
500 common shares of $1 each		
Issued and fully paid —		
500 common shares	500	500
	$ 24,744,083	$ 21,788,952

Signed on behalf of The Board

______________________ Director

______________________ Director

NEWFOUNDLAND AND LABRADOR DEVELOPMENT CORPORATION LIMITED

Statement of Revenue and Expenses
For the year ended 31st March 1981

	1981	1980
Operating Grants (note 6)		
Government of Canada	645,987	542,204
Province of Newfoundland	645,987	542,204
	1,291,974	1,084,408
Investment Income		
Interest		
Loans	1,858,219	1,541,489
Short-term	570,928	537,064
Other	—	2,914
	2,429,147	2,081,467
Dividends	37,885	28,868
	2,467,032	2,110,335
Total Revenue	3,759,006	3,194,743
Other Expenses		
Provision for bad debts	944,059	627,508
Interest	1,914,008	1,685,934
	2,858,067	2,313,442
Net Income Before Operating Expenses	900,939	881,301
Operating Expenses		
Advertising and promotion	21,432	13,227
Asset acquisitions		
Office furniture and equipment	2,259	(428)
Vehicles	11,831	(1,834)
General and office	31,521	22,299
Library	11,281	9,416
Office premises and equipment	81,792	108,156
Other	10,160	8,864
Outside services	34,965	20,270
Professional fees	8,500	6,000
Publications	(869)	17,502
Salaries and benefits	588,846	580,816
Telephone and telex	39,455	36,358
Travel	45,947	51,209
Vehicle operation	13,819	9,446
	900,939	881,301
Net Income	$ —	$ —

NEWFOUNDLAND AND LABRADOR DEVELOPMENT CORPORATION LIMITED

Statement of Changes In Loan and Equity Investments
For the year ended 31st March 1981

	1981	1980
Changes In Loan And Equity Investments		
Loans advanced to clients	4,166,085	4,466,617
Purchase of equity investments	70,000	210,000
	4,236,085	4,676,617
Loan repayments	2,133,340	1,507,403
Provision for losses on loans	665,916	473,661
Disposal of equity investments	66,600	17,800
Provision for losses on equity investments	100,000	—
	2,965,856	1,998,864
Net Additions In Investments	$ 1,270,229	2,677,753
Financed By		
Government of Canada loans	3,000,000	2,500,000
Reimbursements from governments for bad debts written off	948,275	1,196,156
Net change in other assets and liabilities	368,894	299,276
	4,317,169	3,995,432
Increase in cash and short-term deposits	2,102,881	690,170
Increase in loan and equity investments recoverable	944,059	627,509
	3,046,940	1,317,679
	$ 1,270,229	2,677,753

NEWFOUNDLAND AND LABRADOR DEVELOPMENT CORPORATION LIMITED

Notes to Financial Statements
For the year ended 31st March 1981

1. **Accounting Policies**

Loan And Equity Investments
Investments in loans and shares are recorded at cost.

Operating Grants
Operating expenses and bad debts written off are reimbursed jointly by the Government of Canada and the Province of Newfoundland.

Fixed Assets
Fixed assets consisting of vehicles and furniture are expensed in the year of purchase. Proceeds from disposal are netted against additions in the year of sale.

2. **Loan And Equity Investments**
Loans, equity investments and interest receivable are analyzed by specific account and those accounts which are judged to be doubtful are provided for by way of an allowance. The allowance is not disclosed on the balance sheet as it is recoverable jointly from the Government of Canada and the Province of Newfoundland. Funds are not receivable from the government bodies until such time as the debt is actually written-off.

At the balance sheet date the loans and equity investments are as follows:

	1981	1980
Loans	16,782,933	15,338,103
Preferred shares	859,700	908,300
Interest	422,734	714,581
	$ 18,065,367	16,960,984

The allowance for doubtful accounts consists of the following:

	1981	1980
Loans	1,137,814	1,059,812
Preferred shares	115,300	67,300
Interest on loans	33,537	163,755
	$ 1,286,651	1,290,867

3. **Accounts Receivable**

	1981	1980
Government of Canada	—	26,856
Province of Newfoundland	33,850	261,113
Other	50,328	48,342
	$ 84,178	336,311

4 Long-Term Debt

The Corporation is funded by the Government of Canada for the purpose of making loans, and by the Province of Newfoundland for equity investments.

Government of Canada:

Interest Rate %	Maturity Date	1981	1980
8.375	17th June 1987	2,000,000	2,000,000
8.375	15th April 1987	1,500,000	1,500,000
9.250	21st October 1988	10,000,000	10,000,000
9.250	28th December 1988	1,000,000	1,000,000
10.125	20th March 1989	1,000,000	1,000,000
10.125	29th March 1989	2,000,000	2,000,000
10.000	27th September 1989	1,000,000	1,000,000
11.875	24th January 1990	1,000,000	1,000,000
11.875	30th March 1990	500,000	500,000
12.875	29th January 1991	1,000,000	—
13.750	30th March 1991	2,000,000	—
		23,000,000	20,000,000

	1981	1980
Province of Newfoundland:		
Non-interest bearing loan with no fixed terms of repayment or maturity date	1,700,000	1,700,000
	$ 24,700,000	21,700,000

5 Commitments

As at 31st March 1981, the Corporation has outstanding commitments in respect of approved undisbursed loans of $6,143,273 and equity investments of $65,000.

6 Operating Grants

	1981	1980
Government of Canada	648,095	826,528
Province of Newfoundland	648,095	826,528
	1,296,190	1,653,056
Less — Bad debts written-off	1,056,477	1,196,156
Recovery of prior year's bad debts written-off	(108,202)	—
Bad debts reimbursed by government	948,275	1,196,156
Provision for bad debts	(944,059)	(627,508)
Net decrease in allowance for doubtful accounts	4,216	568,648
Operating grants	$ 1,291,974	1,084,408

7 Leases

The Corporation has leased premises until 31st October 1982 at an annual rental, subject to escalation clauses, of $118,000.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Chairman and Members
of the Newfoundland and Labrador
Housing Corporation

I have examined the balance sheet of the Newfoundland and Labrador Housing Corporation as at 31 March 1981 and the statements of operations and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at 31 March 1981 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J. F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
13 November 1981

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION

Index to Financial Statements

31 March 1981

Balance Sheet Statement 1
Statement of Operations " 2
Statement in Changes in Financial Position " 3

NEWFOUNDLAND HOUSING

Balance
31 March

	1981 000's	1980 000's
ASSETS		
Cash	**$ 452**	**$ 513**
Accounts receivable (Note 2)	**11,236**	**9,522**
Province of Newfoundland (Note 3)	**2,662**	**3,500**
Mortgages and loans receivable	**61,537**	**54,735**
Land assemblies	**19,948**	**23,359**
Rental housing properties (Note 4)	**78,663**	**76,630**
Total assets	**$174,498**	**$168,259**

STATEMENT 1

AND LABRADOR
CORPORATION

Sheet
1981

	1981 000's	1980 000's
LIABILITIES		
Bank loan and overdraft	$ 5,596	$ 6,692
Accounts payable	948	1,093
Holdbacks and security deposits payable	530	771
Mortgages, debentures, and similar indebtedness (Note 5)	98,169	91,945
Total liabilities	105,243	100,501
EQUITY		
Province of Newfoundland	69,255	67,758
Total liabilities and equity	$174,498	$168,259

See accompanying notes

Signed on behalf of the Corporation

P.G. WITHERS
Chairman

T.M. SANFORD
Member

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION

STATEMENT 2

Statement of Operations
For the year ended 31 March 1981

	1981 000's	1980 000's
REVENUE		
Interest	$ 9,552	$ 6,851
Rent	4,936	4,714
Canada Mortgage and Housing Corporation contribution to cost-shared programs	9,252	7,582
Administrative charges to capital projects and rental units operating	2,918	2,685
Gain on sale of fixed assets	336	398
Other income	79	97
	27,073	22,327
Grant — Province of Newfoundland	5,879	4,592
	$32,952	$26,919
EXPENDITURE		
Administration (Note 6)	$ 6,126	$ 5,330
Rental unit expenses (Note 7)	11,700	10,612
Housing Authority losses	5,279	3,715
Interest expense	4,515	3,628
Residential land assembly subsidies	3,071	1,378
Mortgage subsidies	975	777
Rent supplement subsidies	885	627
Allowance for losses on mortgages and loans receivable	162	806
Home ownership grants	239	46
	$32,952	$26,919

See accompanying notes

STATEMENT 3

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION

Statement of Changes in Financial Position
For the year ended 31 March 1981

	1981 000's	1980 000's
Financial resources were provided by:		
Capital investment by the Province of Newfoundland	$ 1,497	$ 4,906
Capital investment by Canada Mortgage and Housing Corporation in Mortgage Lending Program	6,348	4,853
Increase in mortgages and debentures payable	618	1,154
Increase in accounts payable	—	242
Excess of sales over expenditure in land assembly projects	3,411	2,322
	11,874	13,477
Financial resources were used for:		
Reduction in bank loan and overdraft	1,096	596
Reduction in accounts payable	386	—
Increase in accounts receivable	876	4,053
Increase in mortgages and loans receivable	6,802	6,378
Reduction in Province of Newfoundland DREE debentures	742	1,151
Excess of expenditure over sales of rental housing projects	2,033	1,006
	11,935	13,184
Increase (decrease) in cash during year	(61)	293
Cash on hand, beginning of year	513	220
Cash on hand, end of year	$ 452	$ 513

See accompanying notes

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION

Notes to the Financial Statements

31 March 1981

1. Accounting policies

(a) The Corporation's accounting policies are primarily in accordance with the recommendations of the Canadian Institute of Chartered Accountants which are substantially in accordance with the recommendations of the Canadian Institute of Public Real Estate Companies.

(b) Furniture and equipment purchases are expensed in the year of acquisition.

(c) Capitalization of costs
Carrying charges, consisting principally of interest including imputed interest on the Corporation's equity and administrative charges attributable to properties under development, are capitalized as part of the cost thereof.

(d) Investment in land assemblies is valued at cost, less proceeds from sales, DREE grants, and Canada Mortgage and Housing Corporation's 75% share where applicable.

(e) Investment in rental housing is valued at cost, less accumulated depreciation and Canada Mortgage and Housing Corporation's 75% share where applicable.

2. Accounts receivable

	1981 000's	1980 000's
Canada Mortgage and Housing Corporation	$10,650	$8,942
Rents	310	386
Miscellaneous	558	412
	11,518	9,740
Less: Allowance for doubtful accounts	282	218
	$11,236	$9,522

3. The Province of Newfoundland is charged with operating deficits incurred by Newfoundland and Labrador Housing Corporation and credited with annual grants voted by the legislature. This treatment has resulted in an accumulation of operating grants in excess of operating deficits as at 31 March 1981.

	1981 000's	1980 000's
Accounts receivable	$ 3,941	$ 4,742
Less: Excess of accumulated grants over operating deficits		
Balance beginning of year	1,242	1,525
Operating grants current year	5,916	4,309
Operating deficit current year	(5,879)	(4,592)
Balance end of year	1,279	1,242
Net balance due from Province	$,2,662	$ 3,500

4. Depreciation as referred to in Note 1 (e) is calculated as follows:

Class and Method of Depreciation	1981 Cost 000's	 Accumulated Depreciation 000's	 Net Book Value 000's	1980 Net Book Value 000's
Homes for needy, 25 years straight line	$ 1,796	$ 513	$ 1,283	$ 1,431
Provincial Government houses, 50 years straight line	1,943	281	1,662	1,593
Corporation owned houses, sinking fund various rates	58,292	1,376	56,916	57,257
Federal/Provincial housing projects, sinking fund various rates	19,242	440	18,802	16,349
	$81,273	$2,610	$78,663	$76,630

5. Mortgages, debentures, and similar indebtedness

	1981 000's	1980 000's
Bank of Montreal mortgages	$ 656	$ 670
Canada Mortgage and Housing Corporation mortgages	2,427	2,587
Canada Mortgage and Housing Corporation debentures	49,535	48,743
Canada Mortgage and Housing Corporation advances re. Rural Home Ownership Mortgage Program	44,049	37,701
Province of Newfoundland advances under the Department of Regional and Economic Expansion Program (Government of Canada)	1,502	2,244
	$98,169	$91,945

Corporation owned housing units have been pledged as security for mortgages totalling $3,084,000 at 31 March 1981.

Principal repayment for the next five years on $35,680,000 of the outstanding debt related to rental housing units will be as follows:

1982 — $ 73,000
1983 — 80,000
1984 — 87,000
1985 — 94,000
1986 — 102,000

Principal repayment on $16,939,000 of the Canada Mortgage and Housing Corporation liability and $1,502,000 of advances from Government of Canada, Department of Regional and Economic Expansion which represent land assembly loans will be related to future lot sales.

Principal repayment on $46,126,000 of the Canada Mortgage and Housing Corporation liability which represent advances re. Rural Home Ownership Mortgage Program will be related to future principal recoveries of related mortgages receivable.

6. **Administration expenditure**

	1981 000's	1980 000's
Salaries and employee benefits	$ 4,436	$ 3,858
Travel and vehicle expense	485	472
Rent, heat, light, cleaning and maintenance	407	377
Office supplies and equipment	124	88
Telephone and postage	191	155
Shop and office equipment	124	95
Collection charges and credit reports	54	52
Computer system charges	139	156
General	166	77
	$ 6,126	$ 5,330

7. **Rental unit expenses**

	1981 000's	1980 000's
Heat, light and operating	$ 880	$ 763
Repairs and maintenance	3,287	3,008
Administration	1,280	1,131
Insurance and municipal taxes	858	868
Amortization, interest and depreciation	5,328	4,749
Bad debts	67	93
	$11,700	$10,612

8. The St. John's Housing Authority, established to carry on the operations of rental housing, maintains their accounts on the basis of a fiscal year ended 31 December, as opposed to the Corporation's year end of 31 March. The Corporation's share of the Housing Authority's losses has been established by taking actual losses for the period 1 April 1980 to 31 December 1980 plus one quarter of their approved budget for the year ended 31 December 1981.

9. The Corporation is contingently liable for amounts totalling $20,425,000 comprised of uncompleted construction under contract at year end amounting to $12,000,000, commitments under Mortgage Lending Programs amounting to $8,100,000, and commitments to various municipalities for grants under the Neighbourhood Improvement Program amounting to $325,000.

10. **Reclassification**
Certain comparative figures have been restated to conform with the current year's presentation.

11. The Corporation participates in the Provincial Government Pension Plan at a cost of 6% of employee earnings less Canada Pension Plan contributions.

12. **Subsequent event**
Order-In-Council 735-81 ordered that the powers, duties and responsibilities of the St. John's Housing Authority and the St. John's Housing Corporation be transferred to the Newfoundland and Labrador Housing Corporation. Pursuant to that order, integration with the St. John's Housing Authority took place on 1 July 1981 and integration with the St. John's Housing Corporation took place on 1 November 1981.

The Lieutenant Governor in Council
Province of Newfoundland

AUDITORS' REPORT

We have examined the consolidated balance sheet of Newfoundland and Labrador Hydro as at December 31, 1981 and the consolidated statements of income, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation as at December 31, 1981 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

PEAT, MARWICK, MITCHELL & CO.
Chartered Accountants

St. John's, Newfoundland
Canada
February 26, 1982
(except as to Note 12(a)(ii)
which is as of March 5, 1982)

NEWFOUNDLAND AND

Consolidated
(in thousands

	December 31 1981	1980
ASSETS		
Fixed assets (Note 2)		
Property, plant and equipment	$1,559,960	1,468,808
Current assets		
Cash and term deposits	83,308	38,582
Receivables	33,824	35,592
Fuel and supplies at average cost	25,633	19,912
Prepaid expenses	1,587	1,090
	144,352	95,176
Long-term receivable (Note 3)	7,843	7,843
Investment in Twin Falls Power Corporation Limited (Note 4)	2,987	2,923
Lower Churchill option (Note 5)	5,200	5,200
Deferred charges	18,096	16,625
	$1,738,438	1,596,575

LABRADOR HYDRO

Balance Sheet
of dollars)

	December 31	
	1981	1980
LIABILITIES AND SHAREHOLDER'S EQUITY		
Long-term debt (Notes 7 and 8)	$1,294,791	1,175,917
Current liabilities		
Promissory notes	5,300	32,990
Accounts payable and accrued liabilities	37,974	35,626
Accrued interest	25,724	19,246
Long-term debt due within one year	41,237	39,929
	110,235	127,791
Provision for water equalization	14,641	7,843
Minority interest in Churchill Falls (Labrador) Corporation Limited	81,752	79,239
Minority interest in Lower Churchill Development Corporation Limited	14,750	9,850
Shareholder's equity		
Share capital		
Common shares of par value of $1 each. Authorized 25,000,000 shares; issued 22,503,942 shares	22,504	22,504
Contributed capital — Lower Churchill Development (Note 5)	15,400	10,300
— Muskrat Falls (Note 5)	2,673	—
— Gull Island Project	100,000	100,000
Retained earnings	81,692	63,131
	222,269	195,935
	$1,738,438	1,596,575

See accompanying notes

On behalf of the Board:

JANET C. GARDINER
Director

ANGUS A. BRUNEAU
Director

NEWFOUNDLAND AND LABRADOR HYDRO

Consolidated Statement of Income and Retained Earnings
For the year ended December 31, 1981
(with comparative figures for 1980)

	1981 ($000)	1980 ($000)
INCOME		
Revenue		
Energy sales	$195,624	185,738
Rentals and royalties	5,874	6,068
Other	1,816	2,015
	203,314	193,821
Expenses		
Generation, transmission and administration	57,876	58,010
Depreciation (Note 10)	22,133	21,094
Interest (Note 11)	91,720	85,344
	171,729	164,448
Net income before minority interest	31,585	29,373
Minority interest	13,024	12,395
Net income for the year	$ 18,561	16,978
RETAINED EARNINGS		
Balance at beginning of year	$ 63,131	46,153
Net icome for the year	18,561	16,978
Balance at end of year	$ 81,692	63,131

See accompanying notes.

NEWFOUNDLAND AND LABRADOR HYDRO

Consolidated Statement of Changes in Financial Position
For the year ended December 31, 1981
(with comparative figures for 1980)

	1981	1980
	($000)	($000)
Funds provided		
From operations		
Net income	$ 18,561	16,978
Add items not requiring working capital		
Depreciation and amortization	23,158	22,406
Minority interest	13,024	12,395
Other	5,962	(2,243)
Total	60,705	49,536
Proceeds from long-term debt	163,876	—
Contributed capital		
Gull Island Project	—	100,000
Lower Churchill Development	5,100	2,500
Muskrat Falls	2,673	—
Minority investment in Lower Churchill Development Corporation Limited	4,900	4,850
Dividends received from Twin Falls Power Corporation Limited	938	1,012
Miscellaneous	435	1,707
	$238,627	159,605
Funds applied		
Additions to fixed assets	$113,512	83,039
Reductions in long-term debt	43,694	120,964
Dividends paid by a subsidiary to minority interest	10,511	8,145
Miscellaneous	2,870	684
	170,587	212,832
Changes in working capital exclusive of changes in current portion of long-term debt		
Decrease (increase) in short-term debt	27,690	(32,990)
Net increase (decrease) — other	40,350	(20,237)
	$238,627	159,605

See accompanying notes

NEWFOUNDLAND AND LABRADOR HYDRO

Notes to Consolidated Financial Statements
December 31, 1981

Newfoundland and Labrador Hydro ("Hydro") is incorporated under a special act of the Legislature of the Province of Newfoundland (the "Province") as a Crown Corporation and its principal activity is the development, generation and sale of electric power. Hydro and its subsidiary companies are exempt from paying income taxes under Section 149(1)(d) of the Income Tax Act.

1. **Summary of significant accounting policies**

The consolidated financial statements have been prepared in conformity with generally accepted accounting principles as established in Canada.

Rates and regulations (excluding sales by subsidiaries)

The rates charged by Hydro, excluding sales by subsidiaries, are governed by the Electrical Power Control Act (the "Act"). Under the Act, Hydro is required to charge rates to all its customers designed "to recover the cost of service provided by it and a margin of profit sufficient to achieve and maintain a sound financial position so it is able to achieve and maintain a sound credit rating in the financial markets of the world".

Rates proposed for utility customers are subject to public hearings, following which the Board of Commissioners of Public Utilities (the "PUB") recommends rates to the Provincial government (the "Government"). If the Government does not change the rates recommended by the PUB within 15 days, the recommended rates become effective. Should the Government approve rates which are lower than those recommended by the PUB, the Act requires the Government to enter into financial and other arrangements as may be necessary to enable Hydro to conform to the policy quoted above. The Government has accepted all rate recommendations of the PUB to date. Rates to industrial customers, compatible with the Act, are set by the Board of Directors of Hydro. The PUB has determined that Hydro's net income from operations should provide coverage of from 1.15 times to 1.25 times its gross interest cost in order to achieve the profit margin required by the Act. The coverage from operations in 1981 was 1.21 (1980 1.19).

Principles of consolidation

The consolidated balance sheet includes the accounts of Hydro and those of its subsidiary companies, Churchill Falls (Labrador) Corporation Limited ("CFLCo"), (65.8% owned), Gull Island Power Company Limited ("GIPCo"), (100% owned) and Lower Churchill Development Corporation Limited ("LCDC"), (51% owned).

CFLCo is incorporated under the laws of Canada and has completed and commissioned a hydroelectric generating plant and related transmission facilities situated in Labrador and having a rated capacity of 5,225,000 kilowatts ("kW") (the "CFLCo Project").

The excess of cost of the investment in CFLCo ($77,148,000) over the equity in the book value of the net assets acquired is assigned to property, plant and equipment and is being written off on a straight line basis at the rate of 1 1/2% per annum. As at December 31, 1981 $8,100,000 (1980 $6,943,000) had been written off.

A portion of Hydro's shareholding in CFLCo is deposited in a voting trust pursuant to an agreement with Hydro-Quebec.

GIPCo is incorporated under the laws of Canada and was established with the objective of developing the hydroelectric potential at Gull Island on the Lower Churchill River in Labrador, and of constructing a direct current transmission system from Labrador to the island of Newfoundland (the "Gull Island Project"), (see Note 5).

LCDC is incorporated under the laws of Newfoundland and was established with the objective of developing all or part of the hydroelectric potential of the Lower Churchill River (the "Lower Churchill Development"), (see Note 5).

CFLCo owns voting control (66 2/3%) of Twin Falls Power Corporation Limited ("TWINCo"), but only a 33 1/3% equity interest, and as the principal assets and credit resources of TWINCo cannot be transferred to CFLCo, consolidation is not considered appropriate and the investment is carried on an equity basis.

Fixed assets and depreciation

Expenditures for additions, improvements and renewals are capitalized and normal expenditures for maintenance and repairs are charged to operations.

Hydro, GIPCo and LCDC

Plant under construction includes the costs incurred in preliminary feasibility studies, engineering and design of new generation, transmission and distribution facilities. Interest is charged to plant under construction at rates equivalent to the weighted average cost of the most recent funds borrowed. The average rate for the year ended December 31, 1981 was 13 1/5% (1980 11%).

Depreciation is calculated on hydroelectric generating plant and on transmission plant in service on the sinking fund method using interest factors ranging from 5 1/4% to 13%. Depreciation on other plant in service is calculated on the straight-line method. These methods are designed to fully amortize the cost of the facilities, after deducting grants in aid of construction, over their estimated service lives.

Estimated service lives of the major assets are as follows:

Generation	
Hydroelectric	50, 75 and 100 years
Thermal electric	25 and 30 years
Diesel electric	20 years
Transmission	
Lines	40 and 50 years
Switching stations	40 years
Distribution System	30 years

CFLCo

Depreciation is provided for at a rate of 1 1/2% per annum on a straight-line basis.

Deferred charges

Deferral of major repairs

Major repairs of an extraordinary or non-recurring nature are deferred and amortized to income over a five-year period commencing in the year in which they are incurred. The PUB has accepted the inclusion of these charges in determining Hydro's regulated rates.

Debt discount and financing expenses

These costs are, in general, amortized on a straight-line basis over the lives of the respective issues.

Provision for water equalization

In order to equalize the effect on generation cost due to fluctuations in water availability, Hydro charges or credits income annually with an amount calculated to adjust generation costs to an average annual water condition. The calculation is based on historical water flow data compiled over a period of 32 years. The offsetting debit or credit is included in the water equalization provision account. This practice has been accepted by the PUB in determining Hydro's regulated rates.

Foreign currencies

Foreign currency accounts are stated in Canadian dollars on the following bases:

(a) current assets and liabilities, excluding the current portion of long-term debt, at the rate of exchange prevailing at the balance sheet date;

(b) long-term debt at the exchange rates prevailing when the debt was incurred. No recognition is given in the accounts to unrealized gains or losses;

(c) all other assets and any related depreciation at rates in effect at the time of the transaction; and,

(d) gains or losses arising on the translation of, or conversion to, foreign currencies are included with interest in the statement of income.

2. Fixed assets

	1981 (000)	1980 (000)
Hydro		
Property, plant and equipment, at cost	$ 585,750	558,020
Less grants in aid of construction	69,987	70,506
	515,763	487,514
Less accumulated depreciation	38,119	30,638
	477,644	456,876
Plant under construction	115,429	40,794
	593,073	497,670
GIPCo		
Gull Island Project, at cost (Note 5)	99,326	100,000
CFLCo (*a*)		
Property, plant and equipment, at cost	960,190	950,216
Less, accumulated depreciation	114,329	90,935
	845,861	859,281
LCDC		
Capital studies (Note 5)	21,700	11,857
	$1,559,960	1,468,808

(a) CFLCo assets are pledged as security for its long-term debt.

3. Long-term receivable

This receivable is collectible from the Province, without interest, in each year, to the extent that the current year-end balance of the "Provision for water equalization" (see Note 1) falls below the current year-end balance of the long-term receivable.

4. Investment in Twin Falls

	1981 (000)	1980 (000)
Shares, at cost	$2,500	2,500
Equity in retained earnings at beginning of year	423	448
Equity in net income for the year	1,002	987
Dividends for the year	(938)	(1,012)
	$2,987	2,923

5. Lower Churchill Development

LCDC was incorporated in 1978 pursuant to the provisions of an agreement, (the "Principal Agreement") between the Province and the Government of Canada. The Province and the Government of Canada own equity interests of 51% and 49% of LCDC, respectively. The Principal Agreement provides that future issues of Class A common shares shall preserve, as nearly as possible, this ratio of beneficial ownership. Hydro is the designate for the Province's shareholding in LCDC.

Upon agreement to continue with the Lower Churchill Development, GIPCo's assets and the hydroelectric development rights to the Lower Churchill River, (the "Water Rights"), will be acquired by LCDC pursuant to the provisions of an agreement between LCDC and the Province, (the "Option Agreement"), dated November 24, 1978, and expiring November 24, 1982. The Option Agreement stipulates that the purchase price in respect of GIPCO's assets will be a maximum of $100,000,000 less the amount of $5,200,000 representing the par value of 520 Class A common shares of LCDC issued pursuant to the signing of the Option Agreement. As consideration for GIPCo's assets, LCDC will issue a 10% Convertible Demand Debenture in the amount of $94,800,000. LCDC will issue 3,000 Class B common shares, having a par value of $10,000 each, to the Province in consideration of the Water Rights and the Province will transfer such shares to Hydro. It is not anticipated that there will be any loss upon sale of GIPCo's assets to LCDC.

Hydro has acquired 1,540 Class A common shares of LCDC which have a par value of $10,000 each. 520 shares were acquired in 1979 pursuant to signing of the Option Agreement and 510 shares were acquired at par in each of the years 1980 and 1981, by way of capital contributions from the Province.

The Province has provided funds to Hydro in 1981, by way of capital contributions, in order to provide for the protection of the Muskrat Falls natural dam. As of December 31, 1981, $1,300,000 has been expended and included in Hydro's plant under construction.

In 1980, the LCDC Board of Directors issued a report to the shareholders recommending development of the Muskrat Falls site and the transmission of this power to the island of Newfoundland. While no project release was given, a plan to advance the engineering studies for the transmission system was approved and is expected to be completed by April 1982.

6. Power Distribution District

In 1980, Hydro acquired the fixed assets of the Power Distribution District of Newfoundland and Labrador ("PDD"), a statutory corporation of the Province, for a nominal amount and also acquired PDD's current assets and liabilities at cost. PDD is responsible for the generation and distribution of electricity at subsidized rates to its customers in certain remote rural communities.

Hydro will finance all future capital requirements of PDD and will continue to manage PDD's operating responsibilities. PDD will continue to be supplier of record to its customers and will reimburse Hydro fully for all costs associated with serving these customers, including financing costs of its capital requirements.

7. Long-term debt

	Hydro (000)	CFLCo (000)	1981 Total (000)	1980 Total (000)
Summary of long-term debt				
Bonds, notes and debentures	$599,315	579,796	1,179,111	1,045,861
Bank loan	25,784	—	25,784	38,676
Government of Canada loans	89,896	—	89,896	91,380
Total long-term debt	$714,995	579,796	1,294,791	1,175,917

At December 31, 1981 it is estimated that repayments of long-term debt over the next five years will be as follows:

	(000)
1982	$41,200
1983	41,300
1984	41,400
1985	57,000
1986	51,500

Based on exchange rates in effect at December 31, 1981, after giving effect to foreign exchange cost sharing arrangements provided for in the contract between CFLCo and Hydro-Quebec (the "Power Contract"), the approximate amount required to discharge foreign currency debt obligations recorded in the accounts in Canadian dollars as $756,000,000 would be $811,000,000 (1980, as $698,000,000 would be $759,000,000).

Details of long-term debt are as follows:

Hydro

Bonds, notes and debentures, redeemable at the option of Hydro at various times and at various rates, none of which exceeds 102 1/4% of par.

Interest Rate %	Year of Maturity	1981 (000)	1980 (000)	
5 1/4	1990 (U.S. $21,960,000)	$ 23,702	25,731	(a)
7 3/4	1993 (U.S. $25,000,000)	26,773	26,773	(b)
9	1994 (U.S. $11,850,000)	12,739	13,223	
9 3/4	1986 (U.S. $23,107,000)	22,750	23,442	
8 1/8	1992	15,000	15,000	(b)
8 7/8	1999	20,000	20,000	(b)
10 3/4	1995	25,000	25,000	(b)
10 1/4	1985 (Sw. Fr. 75,000,000)	28,286	28,286	(c)
7	1981	—	287	
10 1/4	2001	30,000	30,000	(b)
10	2002	30,000	30,000	(b)
10 Series J	2002	35,000	35,000	(b)
10 1/4 Series K	2001	35,000	35,000	(b)
10 Series L	2003	40,000	40,000	(b)
9 7/8	1994 (U.S. $50,000,000)	57,797	57,797	
11 1/4 Series M	1999	75,000	75,000	(b)
13 3/8 Series N	2001	75,000	—	(b)
17 1/4	1989 (U.S. $75,000,000)	88,876	—	
		640,923	480,539	
Less sinking funds		32,247	23,723	
		608,676	456,816	
Less payments due within one year		9,361	8,148	
		$599,315	448,668	

(a) Secured by an assignment of amounts receivable under a power contract.

(b) A sinking fund has been established for this issue.

(c) The maturity date of this loan has been extended to December 1, 1985. The interest rate will be adjusted periodically and the loan may be repaid in full on any interest adjustment date.

Bank loan

This loan, in the amount of $38,676,000 (U.S. $39,000,000) (1980 $51,568,000 (U.S. $52,000,000)), including the current portion, is repayable in three equal annual instalments and bears interest at 13 4/5%. The interest rate is adjusted periodically and is based upon the London interbank offered rate. Hydro may repay the loan in whole or in part on any interest adjustment date. The current portion as at December 31, 1981 was $12,892,000 (1980 $12,892,000).

Government of Canada loans

These loans, in the aggregate amount of $91,380,000 (1980 $92,769,000), including the current portions, bear interest at various rates from 5 1/4% to 8 1/2% and each loan is repayable following the completion date of the related facility, by thirty or forty equal annual instalments including interest. The years of maturity of these loans range between 2003 and 2014, and the current portion as at December 31, 1981 was $1,484,000 (1980 $1,389,000).

CFLCo

	1981 (000)	1980 (000)
First Mortgage Bonds		
7 3/4% Series A due December 15, 2007 (U.S. $444,907,000)	$456,722	470,799
7 7/8% Series B due December 15, 2007	44,534	45,894
General Mortgage Bonds		
7 1/2% due three years after latest maturity of any First Mortgage Bonds	96,040	98,000
	597,296	614,693
Less payments due within one year	17,500	17,500
	$579,796	597,193

The First Mortgage Bonds, Series A and B, are repayable in fixed semi-annual and in contingent annual sinking fund instalments which commenced in June 1978. (See Note 12 (a) (ii) for discussion of possible prepayment.)

The Deed of Trust and Mortgage securing the General Mortgage Bonds provides for semi-annual sinking fund payments which commenced in June 1980. Each payment will be an amount equal to 1% of the aggregate principal amount outstanding on January 1 preceding each payment date. The General Mortgage Bonds are subordinate to the First Mortgage Bonds.

8. Guarantees by the Province

The Province has unconditionally guaranteed the principal and interest on Hydro's long-term debt, except for the Swiss franc loan and the debt of CFLCo.

9. Sales of power, CFLCo

The Power Contract provides for the sale of substantially all of the power from the CFLCo Project for an initial period of approximately 40 years, until 2016, with a renewal for a further period of 25 years. Hydro-Quebec and CFLCo implemented an increase in rates during 1981 without prejudice to the right of either party in further negotiations or in a judicial review of the Final Capital Cost pursuant to the provisions of the Power Contract. The rate increase is retroactive to May 1972 and was based upon a determination by an independent auditor that the Final Capital Cost of the project, which had previously been estimated at $879,804,000 was $887,575,000. As a result, additional power sales, revenues and interest, amounting to $3,304,000 and $1,047,000, respectively, have been included in the 1981 statement of income; of which 65.8% has resulted in an increase in the net income of Hydro based on its shareholding in CFLCo.

10. Depreciation expense

Depreciation expense for 1981 was increased by an adjustment of $696,000 primarily due to a change in the estimated service lives of certain of Hydro's fixed assets.

11. Interest expense

	1981 (000)	1980 (000)
Gross interest	$129,767	117,034
Amortization of debt discount and financing expenses	1,026	1,312
Exchange loss on sinking fund transactions and retirement of debt	5,340	4,499
Less:	136,133	122,845
Recovered from:		
Hydro-Quebec (a)	19,921	19,007
PDD	1,602	336
Interest capitalized	7,573	7,896
Interest earned	15,317	10,262
	$ 91,720	85,344

(a) Under the terms of the Power Contract, CFLCo recovers the difference between interest calculated at the rates prescribed in the Power Contract and interest paid on the long-term debt of CFLCo.

Also, CFLCo can require Hydro-Quebec to make additional advances, against the issue of units of Subordinate Debentures and shares of common stock, to service its debt and to cover its expenses if funds are not otherwise available.

12. Commitments and contingent liabilities

(a) (i) CFLCo, (together with Hydro-Quebec and the trustees for CFLCo's bondholders), is defending a legal action which began in 1976 and concerns a request made by the Province to CFLCo, pursuant to Clause 2(e) of Part I of the Churchill Falls (Labrador) Corporation (Lease) Act, 1961, (the "Lease"), for the supply by CFLCo of 800,000 kW of power commencing in 1983. It is not possible at this time to indicate the outcome of this legal proceeding.

(ii) In 1980, the Province enacted The Upper Churchill Water Rights Reversion Act (the "Legislation"). The Government stated that the Legislation was introduced because of the lack of satisfactory progress in relation to its abovementioned request for 800,000 kW of power, and that the purpose of the Legislation is to repeal the Lease which granted CFLCo the right to develop the Upper Churchill River. The Legislation provides that, subject to the conditions described below, it will come into force on a date to be proclaimed by the Government.

The Government referred the Legislation to the Newfoundland Supreme Court, Court of Appeal (the "Reference") for an opinion on its constitutional validity. The Province of Quebec, Hydro-Quebec, CFLCo and trustees of the bondholders of CFLCo intervened in the Reference to contest the validity of the Legislation. A hearing with respect to the issues involved concluded on October 23, 1981 and on March 5, 1982 the Newfoundland Court of Appeal rendered its unanimous opinion that the Legislation is valid. The Government has stated that the Legislation will not come into force until the Supreme Court of Canada has rendered its opinion on the matter.

If the Legislaton comes into force, the rights given to CFLCo under the Lease will be rescinded and the hydroelectric works attached to the land held under the Lease will revest in Her Majesty in Right of the Province of Newfoundland. Thereafter, CFLCo will not have any rights under the Lease nor will it own the hydroelectric works attached to the land and consequently will be unable to use the water of the Upper Churchill River to generate electricity for export from the Province or for any other purpose.

The Legislation provides for the payment of all CFLCo indebtedness secured by way of mortgage, lien, debenture or other encumbrance against the rights, privileges, liberties or interests referred to in the Lease. The Legislation also provides that the shareholders of CFLCo may elect to be compensated for any reduction in the value of their common shares, subject to the conditions contained in the Legislation. Furthermore, it is the Government's stated intention that the Legislation will not come into force until all arrangements have been made for the payment in full of all the secured indebtedness of CFLCo.

(b) Under the terms of a sublease with TWINCo, CFLCo is required to deliver to TWINCo, at an agreed price, horsepower equivalent to the installed horsepower of the TWINCo plant and to maintain in good working order, TWINCo's plant and equipment. The sublease expires on December 31, 1989 and has a 25-year renewal option subject to certain conditions.

The Legislation has specifically assured that the rights of TWINCo to power are protected notwithstanding the loss of rights by CFLCo to use the water of the Upper Churchill basin to generate electricity.

(c) Proceedings have been instituted by CFLCo against contractors for damages resulting from the reduction in revenue due to premature failure of certain generating units. Settlement of this matter is currently under negotiation.

(d) Hydro is defending claims instituted by various companies with respect to construction costs, outages and plant shutdowns. In the aggregate, these claims amount to approximately $800,000 (1980 $800,000). It is not possible at this time to indicate the outcome of these claims.

(e) Hydro's employees are covered by the Province's Public Service Pension Plan to which contributions are made equally by Hydro and its employees. CFLCo has two pension plans, one for its salaried and one for its hourly paid employees. Both CFLCO plans are fully funded and managed by a trustee. Based on the most recent actuarial valuation, each CFLCo plan is in a surplus position.

(f) Contractual commitments as at December 31, 1981 total approximately $43,000,000 (1980 $64,000,000). The total cost of major projects presently under construction and to be completed by 1985 is estimated to be $500,000,000.

13. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Chairman and Members of
The Newfoundland Crop Insurance Agency

I have examined the balance sheet of The Newfoundland Crop Insurance Agency as at 31 March 1981 and the statement of revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Agency as at 31 March 1981 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

St. John's, Newfoundland
8 December 1982

J.F. McGRATH, C.A.
Auditor General

THE NEWFOUNDLAND CROP INSURANGE AGENCY

Balance Sheet
31 March 1981

	1981	1980
ASSETS		
Cash	$58,613	$31,120
Accounts receivable	120	120
Total assets	$58,733	$31,240
LIABILITIES		
Province of Newfoundland — Deferred operating advances	$58,733	$31,240
Total liabilities	$58,733	$31,240

Signed on behalf of the Agency

Chairman

Member

THE NEWFOUNDLAND CROP INSURANCE AGENCY

Statement of Revenue and Expenditure
For the year ended 31 March 1981

REVENUE

	1981	1980
Province of Newfoundland: (Notes 1 and 2)		
Premium contributions	$ 3,499	$ 4,861
Cost of claims	2,508	185
Payments on behalf of the Agency for administration	17,548	15,265
	23,555	20,311
Premiums from insured persons	2,215	2,638
Total revenue	$25,770	$22,949

EXPENDITURE

	1981	1980
Indemnity claims	$ 8,222	$ 7,642
Salaries	14,900	14,170
Travel	958	72
Members' remuneration	840	315
Telephone and postage	550	500
Office expenses	300	250
Total expenditure	$25,770	$22,949

NOTES

1. **The province of Newfoundland recovers 25% of the total premium and 50% of administrative expenses under an agreement with the Government of Canada.**

2. **Agency staff are employees of the Department of Rural, Agricultural and Northern Development. The portion of salaries and certain other costs applicable to the operations of the Agency and paid by the department on behalf of the Agency has been estimated arbitrarily by the Chairman.**

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To His Honour the Lieutenant-Governor
in Council

I have examined the balance sheet of Newfoundland Farm Products Corporation as at 31 March 1981 and the statements of income, deficit and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at 31 March 1981 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
21 October 1981

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NEWFOUNDLAND FARM PRODUCTS CORPORATION

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31 March 1981

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Schedule of Cost of Goods Processed - Corner Brook	" 2

NEWFOUNDLAND FARM

Balance
31 March

ASSETS

	1981	1980
Current assets:		
Cash	$ 41,980	$ 348,108
Term deposits	300,000	500,000
Accounts receivable:		
Trade	989,903	856,698
Province of Newfoundland	400,000	—
Other	26,520	10,897
	1,416,423	867,595
Less: Allowance for doubtful accounts	72,134	177,662
	1,344,289	689,933
Inventories:		
Finished goods, at the lower of average cost or net realizable value	562,607	302,152
Materials and supplies, at the lower of cost or replacement cost	225,026	163,164
	787,633	465,316
Prepaid expenses	35,871	32,524
Total current assets	2,509,773	2,035,881
Fixed assets: (Notes 2 and 3)		
Property, plant and equipment	5,129,268	5,097,498
Less: Contributions —		
Province of Newfoundland	3,936,757	3,920,463
Department of Regional Economic Expansion	713,340	713,340
	4,650,097	4,633,803
Net cost	479,171	463,695
Less: Accumulated depreciation	283,077	229,730
	196,094	233,965
Construction in progress	3,045,276	2,611,281
Total fixed assets	3,241,370	2,845,246
Other assets: (Note 4)		
Investment in shares of East Coast Re-Cyclers Limited, at cost	—	23,000
Loan receivable - East Coast Re-Cyclers Limited	—	44,019
	—	67,019
Less: Reserve	—	67,019
	—	—
Total assets	$5,751,143	$4,881,127

STATEMENT 1

PRODUCTS CORPORATION

Sheet
1981

	1981	1980
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$1,605,593	$ 945,489
Total current liabilities	1,605,593	945,489
Deferred capital grant	1,560	1,560
Total liabilities	1,607,153	947,049
Equity		
Equity capital	1,200,000	1,200,000
Contributed capital - Province of Newfoundland	3,237,966	3,037,929
	4,437,966	4,237,929
Surplus (deficit)	(293,976)	(303,851)
	4,143,990	3,934,078
Total liabilities and equity	$5,751,143	$4,881,127

See accompanying notes

Signed on behalf of the Corporation

J.E. McDONALD
President

E.P. GRIFFIN
Director

STATEMENT 2

NEWFOUNDLAND FARM PRODUCTS CORPORATION

Statement of Deficit

For the year ended 31 March 1981

	1981	1980
Surplus (Deficit) beginning of year		
As previously reported	$(282,231)	$ 94,127
Prior period adjustment — assessment of prior year's retail sales tax (Note 3)	(21,620)	—
As restated	(303,851)	94,127
Net income (loss) for the year	9,875	(397,978)
Surplus (Deficit), end of year	$(293,976)	$(303,851)

See accompanying notes

STATEMENT 3

NEWFOUNDLAND FARM PRODUCTS CORPORATION

Statement of Income
For the year ended 31 March 1981

	St. John's	Corner Brook	1981 Total	1980 Total
Sales	$7,929,501	$2,867,759	$10,797,260	$9,262,302
Cost of goods sold:				
Opening inventory of finished goods	137,856	164,296	302,152	262,875
Add: Saleable product purchases	188,189	—	188,189	—
Cost of goods processed (Schedules 1 and 2) (Note 3)	8,273,036	4,571,792	12,844,828	11,382,352
Transfer of finished goods	712,504	(712,504)	—	—
	9,311,585	4,023,584	13,335,169	11,645,227
Less: Closing inventory of finished goods	333,320	229,287	562,607	302,152
	8,978,265	3,794,297	12,772,562	11,343,075
Gross loss	1,048,764	926,538	1,975,302	2,080,773
Operating expenses:				
Marketing and sales	429,799	150,060	579,859	547,767
General and administrative	232,826	112,972	345,798	325,958
	662,625	263,032	925,657	873,725
Gross operating loss	$1,711,389	$1,189,570	2,900,959	2,954,498
Other income				
Profit from other operations			20,915	28,101
Facilities and equipment rental			9,468	2,670
Interest income			—	10,178
Service charges			28,854	28,405
Miscellaneous			635	5,269
Gain on disposal of fixed assets			4,144	—
			64,016	74,623
Other expenses				
Subsidy to egg producers			10,331	8,400
Assistance to other agricultural operations			24,969	50,831
Loss on disposal of fixed assets			—	24,021
Interest expense			1,430	1,135
Obsolete material write-off			1,005	14,362
Strike expenses			52,356	39,321
Miscellaneous			3,091	8,082
			93,182	146,152
Operating loss for the year			2,930,125	3,026,027
Less: Province of Newfoundland				
— Operating grant			2,940,000	2,607,500
— Payment of direct expenses			—	20,549
			2,940,000	2,628,049
Net income (loss) for the year			$ 9,875	$ (397,978)

See accompanying notes

STATEMENT 4

NEWFOUNDLAND FARM PRODUCTS CORPORATION

Statement of Changes in Financial Position
For the year ended 31 March 1981

	1981	1980
Source of funds		
Operations		
Net income (loss)	$ 9,875	$ (397,978)
Depreciation	55,492	69,856
Loss (Gain) on disposal of fixed assets	(4,144)	24,021
	61,223	(304,101)
Proceeds on disposal of fixed assets	4,650	15,800
Contributions		
— Province of Newfoundland	200,037	1,588,772
— Department of Regional Economic Expansion (Note 3)	—	212,868
Increase in capital contribution applied against fixed assets	68,480	128,500
	334,390	1,641,839
Use of funds		
Additions to fixed assets	86,607	175,387
Construction in progress	433,995	1,319,940
Repayment of Government contributions (Note 3)	—	212,868
	520,602	1,708,195
Decrease in working capital	186,212	66,356
Working capital at beginning of year	1,090,392	1,156,748
Working capital at end of year	$ 904,180	$1,090,392

See accompanying notes

SCHEDULE 1

NEWFOUNDLAND FARM PRODUCTS CORPORATION

Schedule of cost of goods processed - St. John's
For the year ended 31 March 1981

	Pork	Poultry	Cured Products	1981 Total	1980 Total
Purchases	$3,141,762	$3,284,343	$ 77,159	$6,503,264	$6,324,174
Direct labor	279,606	517,708	23,202	820,516	764,553
Packaging material	98,965	140,986	9,177	249,128	232,456
Repairs and maintenance materials	36,759	63,791	7,718	108,268	99,687
Factory supplies	19,836	19,095	1,718	40,649	45,208
Water, power and steam	39,232	80,326	—	119,558	113,455
Transportation	—	95,017	—	95,017	91,084
	3,616,160	4,201,266	118,974	7,936,400	7,670,617
Allocation of indirect factory expense	158,152	174,377	4,107	336,636	304,945
Cost of goods processed (to Statement 3)	$3,774,312	$4,375,643	$123,081	$8,273,036	$7,975,562

See accompanying notes

SCHEDULE 2

NEWFOUNDLAND FARM PRODUCTS CORPORATION

Schedule of cost of goods processed - Corner Brook
For the year ended 31 March 1981

	Pork	Poultry	1981 Total	1980 Total
Purchases	$199,225	$2,901,305	$3,100,530	$1,981,632
Direct labor	28,683	627,149	655,832	628,705
Packaging material	3,703	159,782	163,485	146,341
Repair and maintenance materials	2,731	58,521	61,252	84,781
Factory supplies	2,283	18,994	21,277	17,696
Transportation	—	108,637	108,637	103,087
	236,625	3,874,388	4,111,013	2,962,242
Allocation of indirect factory expense	26,449	434,330	460,779	444,548
Cost of goods processed (to Statement 3)	$263,074	$4,308,718	$4,571,792	$3,406,790

See accompanying notes

NEWFOUNDLAND FARM PRODUCTS CORPORATION

Notes to Financial Statements
For the year ended 31 March 1981

1. Accounting policies

(a) Funds received from the Province of Newfoundland for working capital purposes are treated as a reduction of the operating loss for the year.

(b) Fixed assets are being depreciated under the declining balance method at rates indicated in Note 2.

(c) The balance sheet does not include fixed assets owned by the Province of Newfoundland, and used by the Corporation in the operations of the abattoir, cold storage, poultry killing and processing plants, located in St. John's. The Province does not charge any rent to the Corporation for the use of these buildings. All improvements to these buildings are expensed in the Corporation's financial statements.

(d) Indirect factory expenses, selling and shipping expenses and corporate administrative expenses are allocated to cost centers based on production pounds.

					1981	1980
	Rates	Cost	Contributed Assets	Accumulated Depreciation	Net Book Value	Net Book Value
2. Fixed assets						
Land	—	$ 265,072	$ 265,072	$ —	$ —	$ —
Buildings	5%	2,894,649	2,892,075	583	1,991	2,096
Machinery and equipment	20%	820,392	603,931	105,076	111,385	141,020
Office furniture and equipment	20%	47,556	—	28,766	18,790	21,014
Automotive equipment	30%	391,949	184,333	144,951	62,665	68,283
Agricultural facilities	20%	709,650	704,686	3,701	1,263	1,552
		$5,129,268	$4,650,097	$283,077	$196,094	$233,965

3. Prior period adjustments

(a) Retail sales tax

During the year the Corporation was assessed $49,923 as a result of its failure to pay retail sales tax on certain purchases made in the year ended 31 March 1980. A portion of the assessment, $28,303, related to the acquisition of fixed assets, and accordinly the 1980 financial statement figure for property, plant and equipment has been increased by $3,625 while construction in progress has been increased by $24,678. The balance of the assessment, $21,620, related to cost of goods processed for the year ended 31 March 1980 and the retroactive adjustment for this amount has resulted in an increase of $21,620 in cost of goods processed, operating loss and deficit for the year ended 31 March 1980.

(b) Department of Regional Economic Expansion

As a result of an oversight for the year ended 31 March 1980, contributions from the Department of Regional Economic Expansion had to be increased by $212,868 to reflect monies received towards the Corner Brook plant and contributions from the Province of Newfoundland had to be decreased by the same amount to reflect monies paid back to the Province for the same. This adjustment made retroactively, has no effect on reported income, deficit, working capital or balance of fixed assets.

4. Investment write-off

During the year the Corporation wrote-off its investment of $23,000 and its loan to East Coast Re-Cyclers Limited in the amount of $44,019.

5. Comparative figures

Certain of the 1980 financial statement figures have been reclassified to conform with the 1981 financial statement presentation.

AUDITORS' REPORT

The Shareholders,
Newfoundland Fibrply Limited.

We have examined the balance sheet of Newfoundland Fibrply Limited as at October 31, 1981 and the statements of income and retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances, except as explained below.

Inventories of logs, as described in Note 1(a) to the financial statements, were not determined by physical measurement either at the prior or current year ends. The possible effects of any adjustments which might have been required to inventories, cost of sales, income taxes, retained earnings, funds to be applied to redeem preference shares and the consequent effect on authorized and issued preference shares, had the actual quantities of these logs been physically counted is not determinable.

The determination of the net book value of depreciable assets referred to in Note 1(b) to the financial statements is not in accordance with generally accepted accounting practices.

In view of the possible material effect on the financial statements of the matters discussed in the preceding paragraphs, we are unable to express an opinion as to whether or not the accompanying financial statements present fairly the company's financial position as at October 31, 1981 and the results of its operations and the changes in its financial position for the year then ended.

TOUCHE ROSS & CO.
Chartered Accountants

St. John's, Newfoundland
December 2, 1981

NEWFOUNDLAND

(Incorporated under the laws of
Balance Sheet as at

		1981	1980
ASSETS			
Current			
Cash and short term deposits		$	$ 47,062
Accounts receivable — trade		86,503	109,936
Accounts receivable — land sale - Note 7		574,267	
Inventories — Note 1			
Raw materials	$ 19,658		
Finished goods	175,502		
Manufacturing supplies	24,519		
Goods in process	25,290	244,969	159,447
Prepaid expenses		15,287	5,335
		921,026	321,780
Mortgage receivable — Note 7		287,133	
Fixed — Note 1			
Land, buildings, machinery and equipment		1,710,239	1,806,151
Less accumulated depreciation		771,620	493,981
		938,619	1,312,170
		$2,146,778	$1,633,950

FIBRPLY LIMITED

the Province of Newfoundland
October 31, 1981

LIABILITIES

Current		
Bank indebtedness — Note 6	$ 39,200	$
Accounts payable	99,749	60,255
	138,949	60,255

SHAREHOLDERS' EQUITY

Capital — Note 1		
Authorized		
8,834 4 3/4% non-cumulative, redeemable preference shares of $100 each		
1,000 common shares of $100 each		
Issued		
13,000 4 3/4% preference shares	1,300,000	1,300,000
4,166 shares redeemed	416,600	416,600
8,834 shares outstanding	883,400	883,400
1,000 common shares	100,000	100,000
	983,400	983,400
Contributed surplus — Note 3	358,491	358,491
Retained earnings	665,938	231,804
	2,007,829	1,573,695
	$2,146,778	$1,633,950

See accompanying notes to financial statements.

NEWFOUNDLAND FIBRPLY LIMITED

Statement of Income and Retained Earnings
For the year ended October 31, 1981

	1981	1980
Sales	$ 547,325	$ 670,765
Less: Discounts	1,807	1,768
Freight out	2,790	5,182
	4,597	6,950
	542,728	663,815
Cost of goods sold		
Inventory of finished goods, beginning of the year	21,950	50,530
Cost of goods manufactured	600,551	547,753
	622,501	598,283
Inventory of finished goods, end of the year	175,502	21,950
	446,999	576,333
Gross profit from sales	95,729	87,482
Expenses		
Depreciation	292,259	
Salaries — administrative and office	76,385	76,875
— shipping and selling	53,207	41,910
Telephone and telegraph	4,265	3,860
Stationery and office supplies	987	1,470
Advertising and sales promotion	424	1,721
Travelling	4,747	5,468
Motor vehicles	7,696	5,346
Postage	560	814
Interest and bank charges	1,134	13
Miscellaneous	5,492	5,089
Group insurance	3,406	2,754
Repairs and maintenance	118	2,480
Packing materials	862	548
Audit and legal	4,975	3,950
Insurance	578	578
Bad debts	87	2,046
	457,182	154,922
Loss from operations	361,453	67,440
Other income		
Insurance rebate	10,957	
Interest earned	320	3,205
Rent received	4,055	4,771
Miscellaneous	147	1,218
	15,479	9,194
Net loss for the year before extraordinary item	345,974	58,246
Extraordinary item — sale of land — Note 8	780,108	
Net income (loss) for the year	434,134	(58,246)
Retained earnings, beginning of the year	231,804	290,050
Retained earnings, end of year	$ 665,938	$ 231,804

See accompanying notes to financial statements.

NEWFOUNDLAND FIBRPLY LIMITED

Statement of Changes in Financial Position
For the year ended October 31, 1981

	1981	1980
Source of funds		
Sale of land	$ 861,400	$
Application of funds		
To operations		
Net loss for year before extraordinary item	345,974	58,246
Depreciation included in loss but not requiring an outlay of funds	292,259	
	53,715	58,246
Non-current portion of long term mortgage receivable	287,133	
	340,848	58,246
Net increase (decrease) in working capital	520,552	(58,246)
Working capital, beginning of the year	261,525	319,771
Working capital, end of the year	$ 782,077	$ 261,525

See accompanying notes to financial statements.

NEWFOUNDLAND FIBRPLY LIMITED

Notes to Financial Statements
October 31, 1981

1. Significant accounting policies

(a) Inventories are valued at the lower of cost or net realizable value and include logs valued at a cost of $6,523 (1980 - $57,852).

The quantity of the logs on hand was not determined by physical measurement. The company's records of logs cut and delivered were used to determine the quantity of logs included in inventory at October 31, 1981 and 1980.

(b) Fixed assets are recorded at cost. Proceeds from insignificant dispositions are applied against costs and therefore do not result in gains or losses being recorded in the company records.

Depreciation is recorded in the books only in those years when capital cost allowance is claimed for income tax purposes. The undepreciated capital cost of fixed assets exceeded their book value by $66,292 as at October 31, 1981 (1980 - Nil)

(c) In accordance with the Agreement referred to in Note 2, the company within three months after the end of each financial year is to redeem preference shares as directed by the Agreement. As at October 31, 1981 $372,794 is available for the redemption of preferred shares.

Under the Agreement the redemption of preference shares is deemed to be a reduction of the authorized share capital of the company not necessitating a transfer of profits or other moneys to the Capital Redemption Reserve Fund.

2. Management fees

In accordance with an Agreement made between the Government of the Province of Newfoundland, Wood Products Limited and Newfoundland Fibrply Limited, dated March 28, 1963, the company, in a resolution approved by its Board of Directors, may pay directors' fees, salaries and management fees to the extent set forth in Section 10 of the Agreement. As at October 31, 1981, $383,079 is available for distribution (1980 - Nil).

3. Contributed surplus

Contributed surplus represents debts forgiven by the Province of Newfoundland in accordance with the previously mentioned Agreement dated March 28, 1963.

4. Pension liability

Based on actuarial calculation, the estimated unfunded past service cost of the company pension plan was $24,612 at October 31, 1981. The liability is being funded in annual installments over a three year period and is being charged to expenses over the same period. The current year's installment of $9,987 has been charged against income and is included as a current liability as at October 31, 1981.

5. Related party transactions

During the year approximately 20% of the company's sales were made to, and most of the steam energy required to operate the plant, purchased from Newfoundland Hardwoods Limited. It is unlikely that the company could continue to operate if this market and source of energy were not available.

6. Bank indebtedness

The bank indebtedness is secured by a general assignment of book debts.

7. **Extraordinary item**

During the year, the company sold 28.2 acres of land located adjacent to the plant on Topsail Road. Proceeds from the sale were $861,400 of which $287,134 was payable when the Province of Newfoundland approved the sale subsequent to the year end. The balance of the proceeds is due over a two year period in installments of $287,133 due on September 28, 1982 and 1983 respectively. The balance receivable is secured by a mortgage on the land sold and interest is charged at the rate of 15% per annum.

A number of buildings and other structures were located on the land that was sold. The estimated net book value of these assets have been written off and the losses netted against the gain on the sale of the land.

NEWFOUNDLAND FIBRPLY LIMITED

Statement of Cost of Goods Manufactured
For the year ended October 31, 1981

	1981	1980
Raw materials		
Wood	$ 112,025	$ 95,494
Glue	149,941	113,801
Wax and other chemicals	8,228	7,226
Sand paper	718	905
Knives and grinding wheels	2,677	1,147
	273,589	218,573
Direct labour	99,852	90,438
Manufacturing expenses		
Supervision and indirect labour	44,825	36,957
Vacation pay	16,428	16,261
Bunker oil	32,365	20,069
Electric power	43,810	44,044
Automotive equipment	4,960	3,420
Fire protection	1,231	1,374
Repairs and maintenance — materials	13,230	32,376
Repairs and maintenance — wages	43,210	49,441
Miscellaneous	784	470
Group insurance	2,202	1,835
Workers' Compensation insurance	1,163	2,274
Fire insurance	10,180	10,961
Steam	26,022	19,270
	240,410	238,752
	613,851	547,763
Add: Work in process, beginning of the year	11,990	11,980
	625,841	559,743
Deduct: Work in process, end of the year	25,290	11,990
Cost of Goods Manufactured carried to Statement of Income	$ 600,551	$ 547,753

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NEWFOUNDLAND

Schedule of Fixed Assets
For the year ended

ASSETS	Balance Nov. 1/80	Additions
Land	$ 17,987	$
Fencing	917	
Roadways	22,783	
Water and sewerage systems	1,270	
Buildings — production and warehouse	232,748	
Buildings — office and residence	61,755	
Wood camp	3,389	
Well	2,258	
Railroad sidings	9,263	
Machinery and equipment	1,315,061	
Office furniture and equipment	16,479	
Motor vehicles and fork lift	117,785	
Outdoor lighting	967	
Tools	3,489	
	$1,806,151	$

FIBRPLY LIMITED

and Depreciation
October 31, 1981

Disposals	Balance Oct. 31/81	Accumulated Depreciation Nov. 1/80	Accumulated Depreciation Adjustment	Balance for Depreciation	Depreciation	Accumulated Depreciation Oct. 31/81	Net Balance as per Balance Sheet
$ 15,000	$ 2,987	$	$	$ 2,987	$	$	$ 2,987
917		255	255				
5,696	17,087	4,185	1,046	13,948	3,306	6,445	10,642
	1,270	231		1,039	252	483	787
28,627	204,121	42,893	5,276	166,504	39,538	77,155	126,966
34,151	27,604	7,418	5,267	25,453	6,053	8,204	19,400
	3,389	514		2,875	673	1,187	2,202
2,258		615	615				
9,263		2,161	2,161				
	1,315,061	359,385		955,676	228,397	587,782	727,279
	16,479	6,039		10,440	1,045	7,084	9,395
	117,785	69,805		47,980	12,042	81,847	35,938
	967	131		836	196	327	640
	3,489	349		3,140	757	1,106	2,383
$ 95,912	$1,710,239	$ 493,981	$ 14,620	$1,230,878	$ 292,259	$ 771,620	$ 938,619

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

The Shareholders
The Newfoundland Government Building
Corporation Limited
St. John's, Newfoundland

I have examined the balance sheet of the Newfoundland Government Building Corporation Limited as at 31 March 1980 and the statement of income and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the corporation as at 31 March 1980 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.,
Auditor General

St. John's
5 May 1982

NEWFOUNDLAND GOVERNMENT

Balance
31 March

	1980	1979
ASSETS		
Current assets:		
Prepaid expenses	$ 33,433	$ 29,130
Fixed assets, at cost: (Note 4)		
Land and improvements	1,328,387	1,328,387
Confederation Building	9,093,458	9,093,458
	10,421,845	10,421,845
Less: Government grant in aid of construction	1,807,066	1,807,066
	8,614,779	8,614,779
Organization expense	1,293	1,293
Interest and sinking fund held by trustee	393,427	384,535
Total assets	$9,042,932	$9,029,737

STATEMENT 1

BUILDING CORPORATION LIMITED

Sheet
1980

		1980	1979
LIABILITIES			
Current liabilities:			
Deferred revenue - per contra		$ 33,433	$ 29,130
Current portion of long-term debt		466,140	440,137
		499,573	469,267
Long-term debt: (Notes 2 and 4)			
6% First Mortgage Bonds callable 15 April and 15 October 1964-85		2,476,131	2,942,271
Foreign exchange adjustment		28,746	28,746
Total liabilities		3,004,450	3,440,284
SHAREHOLDERS' EQUITY			
Share capital:			
Authorized:			
500 common shares of par value $1,000 each	$500,000		
Issued and fully paid:			
400 shares		400,000	400,000
Capital contributions:			
Repayment of long-term debt by Province of Newfoundland		5,244,080	4,803,943
Retained earnings		975	975
Interest and sinking fund balance		393,427	384,535
Total shareholders' equity		6,038,482	5,589,453
Total liabilities and shareholders' equity		$9,042,932	$9,029,737

See accompanying notes

Signed on behalf of the Board of Directors

PHILIP J. WALL
Director

GILBERT G. GILL
Director

NEWFOUNDLAND GOVERNMENT BUILDING CORPORATION LIMITED

Statement of Income and Retained Earnings
For the year ended 31 March 1980

		1980	1979
INCOME			
Province of Newfoundland:			
Rental of Confederation Building		$783,232	$778,210
EXPENDITURE			
Debt charges:			
Payments to trustee for bondholders on account of principal and interest on First Mortgage Bonds:			
Principal	$468,917		
Interest	191,873		
	$660,790 U.S.	763,347	763,243
Fire insurance premium		13,526	12,894
Trustee's fees and sundry		6,359	2,073
		783,232	778,210
Net income		—	—
Retained earnings, beginning of year		975	975
Retained earnings, end of year		$ 975	$ 975

See accompanying notes

NEWFOUNDLAND GOVERNMENT BUILDING CORPORATION LIMITED

Notes to Financial Statements
For the year ended 31 March 1980

1. **Accounting policies**

   (a) **Fixed assets**

   Fixed assets are not being depreciated but payments of principal and interest on long-term debt are expensed in the financial statements.

   Certain alterations and the replacement and disposal of equiment which in total do not adversely affect the security of the bondholders and which were paid for by the Lessee, are not included in these accounts.

   (b) **Rental revenue**

   The rental revenue received from the Province is equal to the annual amount required to be paid on account of principal and interest, and other expenses. Thus deferred revenue equals prepaid expenses of the Corporation.

2. The First Mortgage Sinking Fund Bonds are started in Canadian dollars at the net realized amount at the date of issue. At 31 March 1980 the Canadian equivalent of the outstanding principal amount of $3,055,000 U.S., translated at current exchange rates, was $3,636,672.

3. Principal payments coming due on the 6% First Mortgage Bonds from 1980-81 to 1984-85 are: $484,000; $514,000; $546,000; $579,000 and $613,000 respectively. These payments are in U.S. dollars.

4. The fixed assets have been pledged as security for the long-term debt.

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To The Shareholders
The Newfoundland Government Building
Corporation Limited
St. John's, Newfoundland

I have examined the balance sheet of the Newfoundland Government Building Corporation Limited as at 31 March 1981 and the statement of income, and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the corporation as at 31 March 1981 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
26 November 1982

NEWFOUNDLAND GOVERNMENT BUILDING

Balance
31 March

	1981	1980
ASSETS		
Current assets:		
Account receivable	$ 1,128	$ —
Prepaid expenses	34,395	33,433
	35,523	33,433
Fixed assets, at cost: (Note 4)		
Land and improvements	1,328,387	1,328,387
Confederation Building	9,093,458	9,093,458
	10,421,845	10,421,845
Less: Government grant in aid of construction	1,807,066	1,807,066
	8,614,779	8,614,779
Organization expense	1,293	1,293
Interest and sinking fund held by trustee	392,560	393,427
Total assets	$9,044,155	$9,042,932

STATEMENT 1

CORPORATION LIMITED

Sheet
1981

LIABILITIES

		1981	1980
Current liabilities:			
Account payable		$ 1,128	$ —
Deferred revenue - per contra		34,395	33,433
Current portion of long-term debt		495,034	466,140
		530,557	499,573
Long-term debt: (Notes 2, 3 and 4)			
6% First Mortgage Bonds callable 15 April and 15 October 1960-85		1,981,097	2,476,131
Foreign exchange adjustment		28,746	28,746
Total liabilities		2,540,400	3,004,450

SHAREHOLDERS' EQUITY

		1981	1980
Share capital:			
Authorized:			
500 common shares of par value $1,000 each	$500,000		
Issued and fully paid:			
400 shares		400,000	400,000
Capital contributions:			
Repayment of long-term debt by Province of Newfoundland		5,710,220	5,244,080
Retained earnings		975	975
Interest and sinking fund balance		392,560	393,427
Total shareholders' equity		6,503,755	6,038,482
Total liabilities and shareholders' equity		$9,044,155	$9,042,932

See accompanying notes

Signed on behalf of the Board of Directors

GILBERT G. GILL
Director

PHILIP J. WALL
Director

STATEMENT 2

NEWFOUNDLAND GOVERNMENT BUILDING CORPORATION LIMITED

Statement of Income and Retained Earnings
For the year ended 31 March 1981

		1981	1980
INCOME			
Province of Newfoundland:			
Rental of Confederation Building		$790,831	$783,232
EXPENDITURE			
Debt charges:			
Payments to trustee for bondholders on account of principal and interest on First Mortgage Bonds:			
Principal	$498,667		
Interest	162,123		
	$660,790 U.S.	777,091	763,347
Fire insurance		11,211	13,526
Trustee's fees and sundry		2,519	6,359
		790,831	783,232
Net income		—	—
Retained earnings, beginning of year		975	975
Retained earnings, end of year		$ 975	$ 975

See accompanying notes

NEWFOUNDLAND GOVERNMENT BUILDING CORPORATION LIMITED

Notes to Financial Statements
For the year ended 31 March 1981

1. **Accounting policies**

   (a) **Fixed assets**

   Fixed assets are not being depreciated but payments of principal and interest on long-term debt are expensed in the financial statements.

   Certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholders and which were paid for by the Lessee, are not included in these accounts.

   (b) **Rental revenue**

   The rental revenue received from the Province is equal to the annual amount required to be paid on account of principal and interest, and other expenses. Thus deferred revenue equals prepaid expenses of the Corporation.

2. The First Mortgage Sinking Fund Bonds are stated in Canadian dollars at the net realized amount at the date of issue. At 31 March 1981 the Canadian equivalent of the outstanding principal amount of $2,571,000 U.S., translated at current exchange rates, was $3,047,406.

3. Principal payments coming due on the 6% First Mortgage Bonds from 1982 to 1986 are: $514,000; $546,000; $579,000; $613,000 and $319,000 respectively. These payments are in U.S. dollars.

4. The fixed assets have been pledged as security for the long-term debt.

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AUDITORS' REPORT

To the Shareholders of Newfoundland Hardwoods Limited

We have examined the balance sheet of Newfoundland Hardwoods Limited as at October 31, 1981 and the statements of income (loss), retained earnings and changes in working capital for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at October 31, 1981 and the results of its operations and the changes in its working capital for the year then ended in accordance with generally accepted accounting principles applied, after giving retroactive effect to the change to provide depreciation and properly record purchases and disposal of fixed assets in the Clarenville division as explained in Note 1 to the financial statements, on a basis consistent with that of the preceding year.

WALTERS, HOFFE & CO.
Chartered Accountants

Clarenville, Newfoundland
December 18, 1981

NEWFOUNDLAND

Balance
October 31,

	1981	1980 (restated)
ASSETS		
Current assets:		
Cash and term deposits	$ 10,535	390,330
Receivables (Note 2)	4,229,296	4,575,400
Inventories (Note 3)	8,396,307	7,335,681
Prepaid expenses	15,011	12,956
Total current assets	12,651,149	12,314,367
Property and equipment, at cost less accumulated depreciation (Note 4)	5,731,196	5,866,921
	$ 18,382,345	18,181,288

HARDWOODS LIMITED

Sheet
1981

LIABILITIES AND SHAREHOLDERS' EQUITY

	1981	1980 (restated)
Current liabilities:		
Bank loan and overdrafts (Note 5)	$ 2,567,086	2,387,513
Accounts payable and accrued liabilities (Note 6)	2,760,590	2,120,783
Total current liabilities	5,327,676	4,508,296
Shareholders' equity:		
Common shares of $100. each par value.		
Authorized 1,000 shares; issued and fully paid, 253 shares	25,300	25,300
Retained earnings, per accompanying statement	11,277,472	11,792,804
Appraisal increase credits (Note 7)	1,751,897	1,854,888
Total shareholders' equity	13,054,669	13,672,992
	$ 18,382,345	18,181,288

See accompanying notes to the financial statements

Approved:

______________________________ Director

______________________________ Director

NEWFOUNDLAND HARDWOODS LIMITED

Statement of Retained Earnings
Year ended October 31, 1981

	1981	1980 (restated)
Retained earnings, beginning of year, as previously reported	$ 11,881,044	10,748,956
Deduct, depreciation recorded in Clarenville division retroactively (Note 1)	214,745	—
	11,666,299	10,748,956
Add, adjustment to inventory values - Clarenville division (Note 1)	29,613	—
amortization of appraisal increase credits of Clarenville division retroactively (Note 1)	96,892	—
Retained earnings, beginning of year, as restated	11,792,804	10,748,956
Net income (loss) for year, per accompanying statement	(118,323)	946,956
Amortization of appraisal increase credits (Note 7)	102,991	96,892
	11,777,472	11,792,804
Dividends paid during year	500,000	—
Retained earnings, end of year	$ 11,277,472	11,792,804

See accompanying notes to the financial statements.

NEWFOUNDLAND HARDWOODS LIMITED

Statement of Income (Loss)
Year ended October 31, 1981

	1981	1980 (restated)
Sales	$ 17,230,282	16,723,987
Cost of sales:		
Inventory - finished goods, beginning of year	2,918,929	1,868,540
Cost of goods manufactured	16,551,178	15,649,547
	19,470,107	17,518,087
Inventory - finished goods, end of year	3,269,895	2,918,929
	16,200,212	14,599,158
Gross profit	1,030,070	2,124,829
Other income (Note 8)	63,842	41,863
	1,093,912	2,166,692
Operating expenses:		
Administrative salaries and benefits	535,361	593,343
Shipping and receiving	192,136	186,387
Equipment leasing	14,964	38,898
Advertising	22,122	13,853
Stationery and office supplies	19,762	21,154
Telephone	27,566	30,204
Provision for doubtful receivables	13,475	39,874
Travel	81,343	77,646
Professional and consulting fees	31,913	38,730
Miscellaneous	40,517	21,859
Interest and bank charges	233,076	157,788
Total operating expenses	1,212,235	1,219,736
Net income (loss)	$ (118,323)	946,956

See accompanying notes to the financial statements

NEWFOUNDLAND HARDWOODS LIMITED

Statement of Changes in Working Capital
Year ended October 31, 1981

	1981	1980 (restated)
Source of working capital:		
From operations:		
Net income (loss)	$ (118,323)	946,956
Depreciation	295,827	272,684
	177,504	1,219,640
Proceeds of disposal of property and equipment	2,833	1,200
Total working capital provided	180,337	1,220,840
Application of working capital:		
Purchase of property and equipment	162,935	373,986
Payment of dividends	500,000	—
Total working capital applied	662,935	373,986
Increase (decrease) in working capital	(482,598)	846,854
Working capital, beginning of year	7,806,071	6,959,217
Working capital, end of year	$ 7,323,473	7,806,071

See accompanying notes to the financial statements.

NEWFOUNDLAND HARDWOODS LIMITED

Notes to the Financial Statements
October 31, 1981

1. Summary of accounting policies:

(a) Inventories:

The company values its inventories at the lower of cost and net realizable value.

(b) Depreciation:

Fenco Consultants Limited completed an evaluation of the property and equipment of the St. John's division in October , 1977 and the accounting records have been adjusted to record accumulated depreciation equal to the reduction in the value of property and equipment from cost to current value at the date of the appraisal. Depreciation has been calculated on a straight line basis over the estimated remaining useful life of the assets as determined by the consultants at October, 1977.

Land in St. John's has been adjusted to agree with a valuation determined by management.

Fenco Consultants Limited completed an evaluation of the property and equipment of the Clarenville division in March, 1980 and the accounting records have been adjusted to record appraisal increase credits equal to the increase in value of the property and equipment from cost to the current value at the date of the appraisal. Depreciation has been calculated in 1980 and 1981 on a straight-line basis based upon the estimated remaining useful life of the assets as determined by the consultants at March, 1980.

The value of the finished goods inventory of the Clarenville division at October 31, 1980 has been restated to reflect the amount of depreciation which would have been included in its value had depreciation been recorded during that year.

The effects of the above changes in accounting policies are shown on the statement of retained earnings and Note 7.

Gains and losses on disposals of property and equipment are shown as adjustments to the total depreciation for the year.

(c) Appraisal increase credits are amortized to retained earnings as realized through depreciation or disposals.

2. Receivables:

	1981	1980
Trade	$ 4,254,738	4,586,834
Other	4,833	24,901
	4,259,571	4,611,735
Less allowance for doubtful receivables	30,275	36,335
	$ 4,229,296	4,575,400

3. Inventories:

	1981	1980 (restated)
Raw materials	$ 4,959,533	4,255,482
Goods in process	25,711	17,908
Finished goods	3,269,895	2,918,929
Supplies	141,168	143,362
	$ 8,396,307	7,335,681

4. Property and equipment:

	1981			1980
				(restated)
	Carrying Value	Accumulated Depreciation	Net Book Value	Net Book Value
Land	$ 170,314	—	170,314	170,314
Land improvements	164,509	14,111	150,398	155,061
Buildings	2,219,913	915,419	1,304,494	1,301,774
Wharf	566,812	45,345	521,467	544,139
Machinery and equipment	4,226,157	932,375	3,293,782	3,373,454
Furniture and fixtures	47,545	17,706	29,839	29,731
Vehicles	358,357	97,455	260,902	292,448
	$ 7,753,607	2,022,411	5,731,196	5,866,921

5. Bank loans and overdrafts:

	1981	1980
Current account overdrafts	$ 46,086	64,513
Bank demand loan	2,521,000	2,323,000
	$ 2,567,086	2,387,513

Bank loan is secured by:

(a) General assignment of book debts
(b) Assignment of inventories to a value of $4,500,000, covering all woods, plywood, furniture, creosote, asphalt, including raw materials, goods in process of manufacture, and finished goods.
(c) Assignment of fire insurance.

6. Accounts payable and accrued liabilities:

	1981	1980
Trade payables	$ 2,237,765	1,626,875
Payroll deductions	55,880	52,561
Pension contributions	82,822	98,790
Federal and Provincial sales tax	191,757	188,420
Customer deposits	104,270	61,904
Accrued wages	50,572	49,613
Other accrued liabilities	37,524	42,620
	$ 2,760,590	2,120,783

7. Appraisal increase credits represents the excess of the appraised value of property and equipment of the Clarenville division over the depreciated cost as determined by Fenco Consultants Limited in March, 1980.

	1981	1980
		(restated)
Total appraisal increase credits	$ 1,951,780	1,951,780
Less, amortized to retained earnings to date	199,883	96,892
	$ 1,751,897	1,854,888

8. Other income:

	1981	1980
		(restated)
Steam sales	$ 25,455	21,040
Miscellaneous sales	38,387	20,823
	$ 63,842	41,863

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NEWFOUNDLAND

Balance
October 31,

ASSETS

Current assets:
Cash and term deposits (overdraft)
Receivables, net of allowance for doubtful receivables
Inventories, at lower of cost and net realizable value
Prepaid expenses
Total current assets

Property and equipment, at cost less accumulated depreciation

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:
Bank loans and overdrafts
Accounts payable and accrued liabilities
Total current liabilities

Shareholders' equity:
Common shares of $100. each par value.
Authorized 1,000 shares; issued and fully paid, 253 shares

Retained earnings (deficit):
Opening balance
Net income (loss)
Amortization of appraisal increase credits

Interbranch account

Dividends paid during year

Appraisal increase credits
Total shareholders' equity

HARDWOODS LIMITED

Sheet
1981

1981			1980		
St. John's	Clarenville	Combined	St. John's	Clarenville	Combined
$ 1,800	8,735	10,535	17,424	372,906	390,330
672,925	3,556,371	4,229,296	812,926	3,762,474	4,575,400
2,238,634	6,157,673	8,396,307	2,507,727	4,827,954	7,335,681
4,472	10,539	15,011	3,969	8,987	12,956
2,917,831	9,733,318	12,651,149	3,342,046	8,972,321	12,314,367
1,937,571	3,793,625	5,731,196	1,989,827	3,877,094	5,866,921
$ 4,855,402	13,526,943	18,382,345	5,331,873	12,849,415	18,181,288
$ 2,548,602	18,484	2,567,086	2,377,675	9,838	2,387,513
453,030	2,307,560	2,760,590	277,671	1,843,112	2,120,783
3,001,632	2,326,044	5,327,676	2,655,346	1,852,950	4,508,296
25,300	—	25,300	25,300	—	25,300
(13,849,756)	25,642,560	11,792,804	(13,551,825)	24,300,781	10,748,956
(730,468)	612,145	(118,323)	(297,931)	1,244,887	946,956
—	102,991	102,991	—	96,892	96,892
(14,580,224)	26,357,696	11,777,472	(13,849,756)	25,642,560	11,792,804
16,908,694	(16,908,694)	—	16,500,983	(16,500,983)	—
2,328,470	9,449,002	11,777,472	2,651,227	9,141,577	11,792,804
500,000	—	500,000	—	—	—
1,828,470	9,449,002	11,277,472	2,651,227	9,141,577	11,792,804
—	1,751,897	1,751,897	—	1,854,888	1,854,888
1,853,770	11,200,899	13,054,669	2,676,527	10,996,465	13,672,992
$ 4,855,402	13,526,943	18,382,345	5,331,873	12,849,415	18,181,288

"Supplmentary Financial Information"

NEWFOUNDLAND HARDWOODS LIMITED

Statement of Income - St. John's
Year ended October 31, 1981

	1981	1980
Sales	$ 3,282,306	3,727,742
Cost of sales:		
Inventory - finished goods, beginning of year	1,133,150	601,289
Cost of goods manufactured	3,418,981	3,971,818
	4,552,131	4,573,107
Inventory - finished goods, end of year	1,148,302	1,133,150
	3,403,829	3,439,957
Gross profit (loss)	(121,523)	287,785
Other income	25,623	23,716
	(95,900)	311,501
Operating expenses:		
Administrative salaries and benefits	181,889	249,319
Shipping and receiving	43,617	32,160
Equipment leasing	14,964	38,898
Advertising	22,122	13,853
Stationery and office supplies	10,138	13,285
Telephone	12,892	15,132
Provision for doubtful receivables	13,360	28,194
Travel	44,311	24,271
Professional and consulting fees	18,456	15,660
Miscellaneous	40,517	21,859
Interest and bank charges	232,302	156,801
Total operating expenses	634,568	609,432
Net income (loss)	$ (730,468)	(297,931)

"Supplementary Financial Information"

NEWFOUNDLAND HARDWOODS LIMITED

Statement of Income - Clarenville
Year ended October 31, 1981

	1981	1980
Sales	$ 13,947,976	12,996,245
Cost of sales:		
Inventory - finished goods, beginning of year	1,785,779	1,267,251
Cost of goods manufactured	13,132,197	11,677,729
	14,917,976	12,944,980
Inventory - finished goods, end of year	2,121,593	1,785,779
	12,796,383	11,159,201
Gross profit	1,151,593	1,837,044
Other income	38,219	18,147
	1,189,812	1,855,191
Operating expenses:		
Administrative salaries and benefits	353,472	344,024
Shipping and receiving	148,519	154,227
Stationery and office supplies	9,624	7,869
Telephone	14,674	15,072
Provision for doubtful receivables	115	11,680
Travel	37,032	53,375
Professional and consulting fees	13,457	23,070
Interest and bank charges	774	987
Total operating expenses	577,667	610,304
Net income	$ 612,145	1,244,887

"Supplementary Financial Information"

NEWFOUNDLAND HARDWOODS LIMITED

Cost of Goods Manufactured - St. John's
Year ended October 31, 1981

	1981	1980
Raw materials used:		
Inventory, beginning of year	$ 1,348,899	1,282,335
Purchases	2,239,218	3,222,260
	3,588,117	4,504,595
Inventory, end of year	1,053,931	1,348,899
	2,534,186	3,155,696
Direct labour and benefits	487,389	429,163
Manufacturing expenses:		
Indirect labour	79,385	92,623
Fuel	139,121	123,619
Light and power	52,129	53,651
Insurance	25,820	20,017
Supplies	4,913	6,923
Repairs and maintenance	45,020	40,885
Depreciation	58,821	57,939
	405,209	395,657
	3,426,784	3,980,516
Inventory of goods in process, beginning of year	17,908	9,210
	3,444,692	3,989,726
Inventory of goods in process, end of year	25,711	17,908
Cost of goods manufactured	$ 3,418,981	3,971,818

"Supplementary Financial Information"

NEWFOUNDLAND HARDWOODS LIMITED

Cost of Goods Manufactured - Clarenville
Year ended October 31, 1981

	1981	1980
Raw materials used:		
Inventory, beginning of year	$ 2,906,583	2,478,130
Purchases	11,794,894	10,244,302
	14,701,477	12,722,432
Inventory, end of year	3,905,602	2,906,583
	10,795,875	9,815,849
Direct labour and benefits	495,468	384,350
Manufacturing expenses:		
Indirect labour	325,489	327,116
Fuel	739,417	480,992
Heat, light and water	38,240	38,998
Repairs and maintenance	259,189	211,878
Insurance and taxes	66,903	53,750
Supplies	76,904	66,864
Inspection and servicing	13,631	10,296
Wastage and damage	58,476	44,131
Miscellaneous	25,599	28,760
Depreciation	237,000	214,745
	1,840,854	1,477,530
Cost of goods manufactured	$ 13,132,197	11,677,729

"Supplementary Financial Information"

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Board of Directors
Newfoundland Industrial Development Corporation
St. John's, Newfoundland

I have examined the balance sheet of the Newfoundland Industrial Development Corporation as at 31 March 1981 and the statements of income and retained earnings and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corpporation as at 31 March 1981 and the results of its operations and the changes in its financial position for the year then ended in accordance with generaly accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
30 November 1981

NEWFOUNDLAND INDUSTRIAL DEVELOPMENT CORPORATION

Index to Financial Statements
For the year ended 31 March 1981

Balance Sheet	Statement 1
Statement of Income and Retained Earnings	" 2
Statement of Changes in Financial Position	" 3

NEWFOUNDLAND INDUSTRIAL

Balance
31 March

	(000's) 1981	(000's) 1980
ASSETS		
Current assets:		
Cash	$ 32	$ 1,162
Current portion of mortgage receivable	60	32
Current portion of loans receivable	2,628	2,406
Accrued interest receivable	735	702
Total current assets	3,445	4,302
Investments at cost (Note 2)	57,699	55,103
Mortgage receivable - cost $1,370	—	60
Long-term loans receivable - net of current portion (Note 3)	25,329	22,613
	$86,483	$82,078

STATEMENT I

DEVELOPMENT CORPORATION

Sheet
1981

LIABILITIES AND RETAINED EARNINGS

Current liabilities:		
Accrued interest payable	$ 1,184	$ 284
Current portion of long-term debt	5,588	6,663
Liability for insurance proceeds	—	1,132
Total current liabilities	6,772	8,079
Long-term debt - net of current portion due (Note 4)	68,706	64,283
Total liabilities	75,478	72,362
Retained earnings	11,005	9,716
	$86,483	$82,078

See accompanying notes

Signed on behalf of the Board of Directors

GILBERT G. GILL
Director

PHILIP J. WALL
Director

STATEMENT 2

NEWFOUNDLAND INDUSTRIAL DEVELOPMENT CORPORATION

Statement of Income and Retained Earnings
For the year ended 31 March 1981

	(000's) 1981	(000's) 1980
Revenue:		
Interest earned	$ 2,405	$ 2,410
Expenditure:		
Interest	1,090	950
Provision for uncollectible and other expenses	26	349
	1,116	1,299
Net income	1,289	1,111
Retained earnings, beginning of year	9,716	8,605
Retained earnings, end of year	$11,005	$ 9,716

See accompanying notes

STATEMENT 3

NEWFOUNDLAND INDUSTRIAL DEVELOPMENT CORPORATION

Statement of Changes in Financial Position
For the year ended 31 March 1981

	(000's) 1981	(000's) 1980
Funds provided:		
Operations - net income	$ 1,289	$ 1,111
Repayment of principal on long-term receivables	2,628	2,528
Reduction in mortgage receivable	60	67
Proceeds from long-term debt	7,112	3,268
	11,089	6,974
Funds provided not affecting working capital:		
Loan proceeds from Province of Newfoundland to be applied against principal on bank term loan	2,899	2,899
	13,988	9,873
Funds applied:		
Advances to long-term loans receivable	5,344	400
Purchase of investments	2,596	3,295
Reduction in long-term debt	2,689	3,765
Increase in mortgage receivable	—	60
	10,629	7,520
Funds applied not affecting working capital:		
Payment on bank term loan	2,899	2,899
	13,528	10,419
Increase (decrease) in working capital	460	(546)
Working capital (deficiency) beginning of year	(3,777)	(3,231)
Working capital (deficiency) end of year	$(3,317)	$(3,777)

See accompanying notes

NEWFOUNDLAND INDUSTRIAL DEVELOPMENT CORPORATION

Notes to Financial Statements
For the year ended 31 March 1981

1. **Accounting policies**

   (a) **Investments**
   The investment in the water rights and other related assets in Labrador is being recorded at the original cost of the investment and increased annually by the interest and recorded exchange loss on borrowed money with regard to the investment.

   (b) **Foreign currency**
   Translation of U.S. dollars to Canadian was made at the approximate rate prevailing when the transactions occurred.

   (c) **Income taxes**
   This Corporation is a Crown Corporation and therefore is not subject to either Provincial or Federal Income Taxes.

2. **Investments (000's)**

	1981	1980
Marystown Shipyards Limited 7,127 preferred shares	$ 7,126	$ 7,126
Water rights held in Labrador and certain related assets	50,573	47,977
	$57,699	$55,103

3. **Loans and interest receivable (000's)**

	Total	Current	Long-term
Crown corporations	$10,539	$1,361	$ 9,178
Other - secured	18,613	2,462	16,151
	29,152	3,823	25,329
Allowance for doubtful accounts	460	460	—
	$28,692	$3,363	$25,329

4. Long-term debt (000's)

	Total Outstanding	Current	Long-term
Notes payable to Province of Newfoundland, interest free, to be repaid out of funds received on account of certain loans receivable	$50,989	$1,545	$49,444
8 1/2% fully registered debentures (U.S. $7.0 million) due semiannually to 1984; guaranteed as to principal and interest by the Province of Newfoundland. (Note 7)	4,497	988	3,509
Bank term loan (U.S. $21.1 million) bearing interest at 3/4 of 1% above the London interbank offer rate ("LIBO rate") to June, 1979, and thereafter at 1% above the LIBO rate, due 1978 to 1984; guaranteed as to principal and interest by the Province of Newfoundland	11,594	2,899	8,695
10% loan payable to the Province of Newfoundland, due semiannually to 1992. (Note 8)	1,870	156	1,714
10 1/2% loan payable to the Province of Newfoundland. (Note 11)	5,344	—	5,344
	$74,294	$5,588	$68,706

5. Loans receivable

Principal payments coming due on loans receivable in the years 1982 to 1986 are as follows:

Year ending 31 March	Amount (000's)
1982	$ 2,792
1983	3,546
1984	3,783
1985	3,315
1986	2,193
	$15,629

6. Long-term debt

Principal payments coming due on long-term debt in the years 1982 to 1986 are as follows:

Year ending 31 March	Amount (000's)
1982	$ 5,588
1983	6,455
1984	6,690
1985	6,221
1986	2,199
	$27,153

7. **Debenture debt**

The debentures are translated to Canadian dollars at par, the approximate rate prevailing when the debt was incurred.

The debentures mature at various annual amounts commencing at U.S. $462,000 in 1972 and increasing annually to U.S. $1,268,000 at final maturity in 1984. These payments are being repaid out of funds received on account of the loan to Canadian Acceptance Corporation, which loan has identical terms of repayment, but is in Canadian dollars. A third party has agreed to assume any foreign exchange loss (or will be credited with any foreign exchange gain) that may occur through the receipt and expenditure of funds for the retirement of this debt.

8. **Loan payable - Province of Newfoundland**

Principal and interest payments are to be repaid out of funds received on account of a loan to National Sea Products Limited, which loan has identical terms of repayment.

9. **Lease commitments**

On 31 March 1976 the Corporation entered into a lease agreement with Tele-Direct Limited to lease five trawlers. These vessels are sub-leased to Fishery Products (Marystown) Limited for corresponding terms and conditions.

10. **Burgeo Seafoods Limited**

Negotiations are ongoing between the Government of Newfoundland and Labrador and National Sea Products Limited regarding the possible divestiture of Government's interest in the company. Meanwhile, the repayment of the company's debt both to Government and the Corporation has been held in abeyance pending the outcome of these negotiations.

11. **Fishery Products Limited**

On 11 September 1980 the Corporation entered into an agreement with Fishery Products Limited whereby the Corporation would provide two $7 million loans at an interest rate of 10 3/4% to finance the construction of two trawlers at Marystown Shipyards.

These loans will be financed by a 10 1/2% direct loan of $14 million from the Government of Newfoundland and Labrador.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

The Board of Commissioners,
The Newfoundland Legal Aid Commission,
St. John's, Newfoundland

In accordance with the provisions of Section 24 of the Legal Aid Act, 1975, I have examined the balance sheet of The Newfoundland Legal Aid Commission as at 31 March 1981 and the statement of revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of The Newfoundland Legal Aid Commission as at 31 March 1981 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.,
Auditor General.

St. John's, Newfoundland
10 September 1981

THE NEWFOUNDLAND

Balance
As at 31 March

		1981		1980
ASSETS				
Current assets				
Cash		$ —		$ 9,398
Grant receivable from the Province of Newfoundland		110,400		60,000
Accounts receivable	$115,448		$104,740	
Less: Allowance for doubtful accounts	38,135	77,313	38,135	66,605
Prepaid expenses		6,805		3,376
		194,518		139,379
Funds deposited in trust (Note 3)		19,755		15,527
Fixed assets (Note 1)				
Office equipment		32,555		26,204
Less: Accumulated depreciation		16,379		10,278
		16,176		15,926
Leasehold improvements - at net (Notes 1 and 4)		2,283		636
		$232,732		$171,468

LEGAL AID COMMISSION

Sheet
1981

LIABILITIES

Current liabilities		
Bank overdraft	$ 69,441	$ —
Accounts payable and accrued liabilities	56,785	62,926
Unearned revenue	70,359	58,372
	196,585	121,298
Funds deposited in trust (Note 3)	19,755	15,527
Equity		
Balance, beginning of year	34,643	125,312
(Excess of expenditure over revenue)	(18,251)	(90,669)
Balance, end of year	16,392	34,643
	$232,732	$171,468

See accompanying notes to the financial statements.

Signed on behalf of The Newfoundland Legal Aid Commission

Chairman of the Commission

Provincial Director

THE NEWFOUNDLAND LEGAL AID COMMISSION

Statement of Revenue and Expenditure
For the year ended 31 March 1981

	1981	1980
Revenue		
Grant from the Province of Newfoundland	$ 726,400	$ 560,000
Recovered fees	26,501	24,892
Interest	9,104	18,820
Federal project	—	7,211
Miscellaneous	31	58
	762,036	610,981
Expenditure		
Legal fees and disbursements	294,805	317,978
Salaries and commissioners' fees	352,774	266,648
Bad debts	—	3,188
Miscellaneous	8,060	7,763
Travel	8,743	5,139
Legal Aid administration	—	3,900
Library	5,781	3,597
Conferences and education	8,507	995
Office and equipment rental	36,779	36,758
Office supplies	23,833	19,815
Insurance	4,228	3,519
Telephone and light	27,854	24,624
Depreciation	6,101	4,881
Amortization	843	201
Bank charges and interest	1,979	2,644
	780,287	701,650
(Excess of expenditure over revenue)	$(18,251)	$(90,669)

See accompanying notes to the financial statements

THE NEWFOUNDLAND LEGAL AID COMMISSION

Notes to Financial Statements

31 March 1981

1. Accounting policy

Depreciation is computed on a straight line basis over a period of five years from the date of purchase.

Leasehold improvements are amortized on a straight line basis over the remaining life of the rental agreement.

2. The Legal Aid Act, 1975

The Newfoundland Legal Aid Commission was founded under The Legal Aid Act, 1975. The Commission assumed responsibility for the functions previously performed by The Legal Aid Committee of The Law Society of Newfoundland. It commenced operations in April of 1976 and at that time acquired the assets and liabilities of the Committee. Fixed assets of the Commission acquired from the Committee are set up at net book value while new additions are set up at cost.

3. Funds deposited in trust

Funds deposited in trust represent amounts received by The Newfoundland Legal Aid Commission for legal action which has yet to be completed. Once legal action has been completed, these deposits will be combined with the general funds of the Commission.

4.	Leasehold improvements — at cost	$3,970
	Less: Accumulated amortization	1,687
	Leasehold improvements - net of amortization	$2,283

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AUDITOR'S REPORT

To the Chairman and Members
The Newfoundland Liquor Corporation
St. John's, Newfoundland

I have examined the balance sheet of the Newfoundland Liquor Corporation as at 31 March 1981 and the statements of income and retained earnings and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at 31 March 1981 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

St. John's, Newfoundland
2 October 1981

J.F. McGRATH, C.A.
Auditor General

NEWFOUNDLAND

Balance
March 31,

ASSETS	1981	1980
Current assets:		
Cash	$ 1,841,573	$ 3,009,710
Accounts receivable		
Trade	162,812	67,706
Claims	93,101	47,545
Other	15,329	20,612
	271,242	135,863
Less: Allowance for doubtful accounts	33,945	33,156
	237,297	102,707
Beer commissions receivable	1,669,816	1,339,461
Inventories		
Raw materials	312,362	441,144
Head office inventory	3,620,410	3,100,208
Branch stores inventory	2,374,433	2,126,823
Stock in transit	741,316	455,517
Finished goods	1,226,296	888,558
	8,274,817	7,012,250
Prepaid expenses	152,058	69,871
Total current assets	12,175,561	11,533,999
Fixed assets:		
Buildings and land	1,219,345	1,090,319
Store equipment and fixtures	453,167	429,839
Motor vehicle	7,262	7,262
Office furniture and equipment	247,999	225,188
Plant and warehouse equipment	435,005	322,584
	2,362,778	2,075,192
Less: Accumulated depreciation	1,120,493	939,063
	1,242,285	1,136,129
Leasehold improvements	[illegible]59,867	740,522
Less: Accumulated amortization	622,374	519,167
	337,493	221,355
Total fixed assets	1,579,778	1,357,484
Other assets:		
Interest in leased land (Note 6)	215,000	—
Total assets	$13,970,339	$12,891,483

LIQUOR CORPORATION

Sheet
1981

	1981	1980
LIABILITIES AND RETAINED EARNINGS		
Current liabilities:		
Accounts payable	$ 2,201,121	$ 2,143,663
Accrued liabilities (Note 4)	1,813,199	1,798,290
Total current liabilities	4,014,320	3,941,953
Retained earnings		
Due to the Province of Newfoundland	9,956,019	8,949,530
Total liabilities and retained earnings	$13,970,339	$12,891,483

Signed on behalf of the Board

______________________________ President

______________________________ Director

See accompanying notes

NEWFOUNDLAND LIQUOR CORPORATION

Statement of Income and Retained Earnings
Year ended March 31, 1981

	1981	%	1980	%
Sales	$61,971,374		$56,331,490	
Less: Returned sales	14,449		8,790	
Net sales	61,956,925	100.0	56,322,700	100.0
Cost of goods sold: (Note 5)				
Inventory - beginning	7,012,250		6,451,910	
Purchases	30,385,033		26,811,660	
Cost of goods available for sale	37,397,283		33,263,570	
Less: Inventory - ending	8,274,817		7,012,250	
	29,122,466	47.0	26,251,320	46.6
Gross profit on sales	32,834,459	53.0	30,071,380	53.4
Expenses:				
Administrative and operating (Schedule 1)	7,609,676	12.3	6,823,230	12.1
	25,224,783	40.7	23,248,150	41.3
Other operating income				
Commission on licensee purchases	843,702		786,013	
Commission on duty free sales	31,438		16,465	
Beer retail license fees	—		9,125	
Used container sales	23,825		21,100	
Interest income	44,886		19,235	
Rental income	10,400		8,100	
Miscellaneous	6,089		7,124	
	960,340		867,162	
Net profit from liquor store operations	26,185,123		24,115,312	
Commission revenue on sales of local beer	20,321,366		17,581,365	
Net income from total operations	46,506,489		41,696,677	
Retained earnings:				
Beginning of year	8,949,530		7,752,853	
	55,456,019		49,449,530	
Payments to the Province of Newfoundland	45,500,000		40,500,000	
Retained earnings: end of year	$ 9,956,019		$ 8,949,530	

See accompanying notes

NEWFOUNDLAND LIQUOR CORPORATION

Statement of Changes in Financial Position
Year ended March 31, 1981

	1981	1980
Source of working capital:		
From operations		
Net profit from liquor store operations	$26,185,123	$24,115,312
Commission revenue on sales of local beer	20,321,366	17,581,365
Add (deduct) items not resulting in an inflow or outflow of funds:		
Depreciation	191,550	163,251
Amortization	103,206	78,781
Gain on disposal of fixed assets	(339)	(3,526)
	46,800,906	41,935,183
Proceeds from disposal of fixed assets	341	4,557
	46,801,247	41,939,740
Application of working capital:		
Payments to the Province of Newfoundland	45,500,000	40,500,000
Additions to fixed assets:		
Buildings	129,026	—
Equipment and furniture	168,681	173,332
Leasehold improvements	219,345	38,685
Additions to other assets	215,000	—
	46,232,052	40,712,017
Increase in working capital	569,195	1,227,723
Working capital - beginning	7,592,046	6,364,323
Working capital - ending	$ 8,161,241	$ 7,592,046

See accompanying notes

NEWFOUNDLAND LIQUOR CORPORATION

Administrative and Operating Expenses
Year ended March 31, 1981

		1981	1980
Salaries and employee benefits		$4,599,888	$4,127,607
Rent (Note 2)		408,412	413,647
Freight to stores		236,057	224,014
Agency store commissions and expenses		733,697	621,614
Municipal and school tax		111,603	84,634
Travelling		59,900	69,159
Heat and light		139,702	142,099
Cleaning		95,639	97,320
Telephone and telegraph		68,684	55,381
Advertising		15,290	9,190
Computer services		191,934	175,728
Directors' fees and expenses		8,254	6,612
Interest and bank charges		38,459	20,371
Motor vehicle expenses		2,409	1,604
Consultants' fees		1,500	10,437
Store expenses:			
Store security	$21,830		
Store supplies and wrapping	89,824	111,654	122,741
Office expenses:			
Stationery and office supplies	66,680		
Postage	16,207	82,887	70,181
Repairs and maintenance:			
Repairs and maintenance (Note 3)	149,879		
Ground maintenance and snow clearing	18,870	168,749	129,777
Inventory breakage and shortage:			
Branch and warehouse breakage	26,566		
Branch and warehouse shortage	57,905	84,471	68,018
Marketing expenses		68,186	67,899
Dues and subscriptions		6,345	5,044
Insurance		22,750	23,606
Professional and legal fees		4,819	4,502
Depreciation (Note 5)		131,972	122,462
Amortization		103,206	78,781
Uniforms		11,455	27,733
Staff recruiting		17,061	4,002
Staff training		22,608	17,429
Miscellaneous		33,113	20,743
Labour negotiations and grievances		440	1,042
Loss (gain) on disposal of raw materials		—	(1,694)
Bad debt recoveries		—	(959)
Gain on disposal of fixed assets		(339)	(3,526)
Bad debt expense		8,571	—
		$7,609,676	$6,823,230

See accompanying notes

NEWFOUNDLAND LIQUOR CORPORATION

Notes to Financial Statements
Year ended March 31, 1981

1 Accounting policies

(a) Inventories

All inventories are carried at the lower of cost or net realizable value

(b) Fixed assets

All fixed assets are capitalized at the time of acquisition at cost. Depreciation is calculated by the straight-line method based on the expected future life of the assets as follows.

Buildings	20 years
Store equipment and fixtures	5 years
Motor vehicle	3 years
Office furniture and equipment	5 and 10 years
Plant and warehouse equipment	3 and 5 years

A full year's depreciation is taken in the year of acquisition, while depreciation is not taken on assets disposed of during the year

(c) Leasehold improvements are being amortized on a straight-line basis over the terms of the individual leases which range from 5 to 20 years

2 The Newfoundland Liquor Corporation has 24 leases on file covering retail outlets. The total annual rents for each of the next five years are as follows

Year ending 31 March	1982 —	$421,548
	1983 —	351,399
	1984 —	324,842
	1985 —	286,691
	1986 —	221,131

3 Rent for the building occupied by the Head Office of the Corporation is being paid by the Province. Operating expenses for the period ended 31 March 1981 do not include any amounts for rent but do include building repairs and maintenance expenses totalling $22,495. This amount totalled $93,731 for the year ended 31 March 1980

4 Included in accrued liabilities and Head Office inventory is the Customs and Excise duty on inventory held in bond at Head Office warehouse at 31 March 1981. As at 31 March 1981 this liability amounted to $1,798,409. It is notably higher than previous years because many locally bottled products are now bottled in bond instead of being bottled duty paid

5 During the year the Corporation allocated an amount of $59,578 to cost of goods sold. This represented the Blending Department's portion of depreciation expense. This amount totalled $40,789 for the year ended 31 March 1980

6 This land is leased for an initial term of 30 years over which period the amount of $215,000 will be amortized on a straight-line basis beginning in the 1982 fiscal year. The lease agreement requires an annual lease payment of $7,000 for 30 years. There are also options available to renew the lease for an additional 140 years

DEPARTMENT OF THE AUDITOR GENERAL

St. John's, Newfoundland

AUDITOR'S REPORT

To the Chairman and Members,
Newfoundland Liquor Licensing Board,
St. John's, Newfoundland

I have examined the balance sheet of the Newfoundland Liquor Licensing Board as at 31 March 1981 and the statement of revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at 31 March 1981 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

St. John's, Newfoundland
16 June 1981

R. E. GRUCHY, C.A.
For J. F. McGrath C.A.,
Auditor General

NEWFOUNDLAND LIQUOR LICENSING BOARD

Index to Financial Statements
31 March 1981

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NEWFOUNDLAND LIQUOR

Balance
31 March

	1981	1980
ASSETS		
Cash	$ 779	$6,244
Due from Province of Newfoundland - Schedule 1	13,141	2,550
Accounts receivable - imprests	500	500
Total assets	$14,420	$9,294

STATEMENT 1

LICENSING BOARD

Sheet
1981

	1981	1980
LIABILITIES		
Accrued liabilities	$14,420	$9,294
Total liabilities	$14,420	$ 9,294

Signed on behalf of the Board

CYRIL BANIKHIN
Chairman

D. CHAFE
Member

See accompanying notes

STATEMENT 2

NEWFOUNDLAND LIQUOR LICENSING BOARD

Statement of Revenue and Expenditure
For the year ended 31 March 1981

	1981		1980
	Budget	Actual	Actual
Revenue			
Operating grant - Province of Newfoundland	$513,000	$522,970	$438,214
Expenditure			
Salaries and employee benefits	$380,000	$382,234	$341,087
Directors' fees and expenses	7,500	4,978	4,780
Legal fees	2,000	500	812
Entertainment	2,000	1,443	157
Stationery and office supplies	12,000	17,583	14,612
Travel	56,000	68,469	45,311
Postage, telephone and telegraph	16,000	20,492	19,875
Cleaning	3,000	30	986
Dues and subscriptions	1,200	1,315	718
Equipment rentals, repairs and maintenance	6,000	6,939	5,406
Municipal expenses	3,500	—	1,012
Heat and light	3,600	—	1,766
Insurance	600	325	430
Miscellaneous	500	357	88
Office furniture and equipment	19,100	18,305	1,174
Total expenditure	$513,000	$522,970	$438,214

See accompanying note

SCHEDULE 1

NEWFOUNDLAND LIQUOR LICENSING BOARD

Due from Province of Newfoundland
For the year ended 31 March 1981

	1981	1980
Collection of license fees, fines and forfeitures	$1,022,453	$ 867,320
Less: payments to Province	1,022,453	867,320
	—	—
Add: excess of expenditure over operating grant	10,591	10,849
Due from (to) Province, beginning of year	2,550	(8,299)
Due from Province, end of year	$ 13,141	$ 2,550

See accompanying note

NEWFOUNDLAND LIQUOR LICENSING BOARD

Note to Financial Statements
For the year ended 31 March 1981

1. **Accounting policies**

   (a) The Board follows a policy of expensing fixed assets to operations in the year of acquisition. The total of the fixed assets acquired and under control of the Board to 31 March 1981 is $49,360 (1979 - $31,055)

   (b) All funds collected by the Board are turned over to the Province of Newfoundland and operations of the Board are financed by grants from the Province.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Chairman and Members,
The Newfoundland Medical Care Commission,
St. John's, Newfoundland.

I have examined the balance sheet of the Newfoundland Medical Care Commission as at 31 March 1981 and the statement of revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at 31 March 1981 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

R.E. GRUCHY, C.A.
for J.F. McGRATH, C.A.,
Auditor General

St. John's, Newfoundland
7 May 1981

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NEWFOUNDLAND MEDICAL CARE COMMISSION

Index to Financial Statements
31 March 1981

Balance Sheet	Statement 1
Statement of Revenue and Expenditure	" 2
Schedule of Administrative Expenditure	Schedule 1

NEWFOUNDLAND MEDICAL

Balance
31 March

	1981	1980
ASSETS		
Cash	$ 200	$ 119,149
Accounts receivable:		
Due from Province of Newfoundland	1,546,000	—
Net deficit due from the Province of Newfoundland (Note 2)	4,587,529	4,222,039
Third party liability recovery	3,180	5,317
Prepaid expense	31,657	42,967
Total assets	$6,168,566	$4,389,472

STATEMENT 1

CARE COMMISSION

Sheet
1981

	1981	1980
LIABILITIES		
Bank overdraft	$1,187,034	$ —
Accounts payable and accrued liabilities	151,152	113,935
Liability for presented and processed claims	3,374,473	2,745,068
Estimated liability for unpresented and unprocessed claims	1,455,907	1,530,469
Total liabilities	$6,168,566	$4,389,472

Signed on behalf of the Commission

R.M. CROSBIE
Chairman

R.O. PEDDIGREW
Executive Director

See accompanying notes

STATEMENT 2

NEWFOUNDLAND MEDICAL CARE COMMISSION

Statement of Revenue and Expenditure
For the year ended 31 March 1981

	1981	1980
Revenue:		
Contributions - Province of Newfoundland	$38,546,000	$31,500,000
Third party recoveries	30,749	36,921
Miscellaneous	10,537	11,888
	41,286	48,809
Total revenue	38,587,286	31,548,809
Expenditure:		
Cost of insured services —		
Physicians —		
Fee for service (opted-in)	35,181,942	29,535,117
Fee for serviced (opted-out) and out-of-province	747,588	577,765
Dental surgery	478,551	423,329
Sessional payments	910,440	962,150
Payments in lieu of fee for service	15,000	15,000
	37,333,521	31,513,361
Administrative expenditure (Schedule 1)	1,619,255	1,434,460
Total expenditure	38,952,776	32,947,821
Net deficit for the year	$ 365,490	$ 1,399,012

See accompanying notes

SCHEDULE 1

NEWFOUNDLAND MEDICAL CARE COMMISSION

ADMINISTRATIVE EXPENDITURE
For the year ended 31 March 1981

	1981	1980
Computer costs		
Claims processing	$ 342,111	$ 300,217
Redevelopment	26,782	—
	368,893	300,217
Salaries	901,407	793,133
Commission fees	12,436	10,401
Consultants' fees	—	4,275
Office supplies	75,526	83,753
Microfilming	3,673	444
Postage and telephone	46,822	45,418
Electricity	3,507	3,645
Interest and bank charges	5,341	7,703
Furniture and equipment	39,434	6,816
Office rental	114,948	115,864
Equipment rental	9,103	12,753
Leasehold improvements	1,745	19,279
Travelling	13,369	11,021
Cleaning	6,629	5,059
Miscellaneous	16,422	14,679
Total administrative expenditure	$1,619,255	$1,434,460

See accompanying notes

NEWFOUNDLAND MEDICAL CARE COMMISSION

Notes to Financial Statements
For the year ended 31 March 1981

1 Accounting policies

(a) In accordance with Section 3 of the Newfoundland Medical Care Insurance (Amendment) Act, 1974, the Province of Newfoundland is liable for any deficit of the Commission from money voted by the Legislature. As a result, the net accumulated deficit to 31 March 1981 of $4,587,529 has been recorded as due from the Province of Newfoundland.

(b) The Commission recognizes unclaimed services rendered prior to 31 March 1981 by estimating the cost of unpresented and unprocessed claims at 31 March 1981. This estimate is based on an age analysis of payments for the year by date of service. Accordingly, the estimated liability for unpresented and unprocessed claims at 31 March 1981 is $1,455,907.

(c) The Commission follows the practice of expensing fixed assets in the year of acquisition. The total of the fixed assets acquired and under control of the Commission to 31 March is $140,780 (1980 - $101,346).

2 Net deficit due from the Province of Newfoundland

The net deficit is comprised of deficits for the following years:

Year ended 31 March 1978	$2,609,616
1979	213,411
1980	1,399,012
	4,222,039
1981	365,490
	$4,587,529

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Chairperson and Members
The Newfoundland Public Libraries Board
St. John's, Newfoundland

I have examined the balance sheet of The Newfoundland Public Libraries Board as at 31 March 1981 and the statement of revenue, expenditure and surplus for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at 31 March 1981 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

R.E. GRUCHY, C.A.
for J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
4 August 1981

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THE NEWFOUNDLAND PUBLIC LIBRARIES BOARD

Index to Financial Statements

31 March 1981

Balance Sheet	Statement 1
Statement of Revenue, Expenditure and Surplus	" 2
Schedule of Grants to Local Libraries	Schedule 1

THE NEWFOUNDLAND

Balance
As at 31 March

	1981	1980
ASSETS		
Current assets		
Cash	$ 44,511	$ 552
Accounts receivable	7,124	1,417
Inventory of supplies	27,111	21,020
	78,746	22,989
Fixed assets		
Building, furniture and equipment	997,465	947,852
Books	6,806,584	6,148,411
	7,804,049	7,096,263
Less: Expensed in year of acquisition	7,804,049	7,096,263
	—	—
	$ 78,746	$ 22,989

STATEMENT I

PUBLIC LIBRARIES BOARD

Sheet

1981

LIABILITIES AND SURPLUS

	1981	1980
Current liabilities		
Bank overdraft (Note 4)	$ —	$ 51,333
Accounts payable and accrued liabilities	5,737	6,054
	5,737	57,387
Surplus (Deficit)	73,009	(34,398)
	$ 78,746	$ 22,989

See accompanying notes

Signed on behalf of the Board

M.E. ANNE HART
Chairperson

PEARCE J. PENNEY
Director of Public
Library Services

STATEMENT 2

THE NEWFOUNDLAND PUBLIC LIBRARIES BOARD

Statement of Revenue, Expenditure and Surplus
For the year ended 31 March 1981

	1981	1980
REVENUE		
Operating grant		
Province of Newfoundland	$3,200,000	$2,887,500
City of St. John's	20,000	20,000
Building grant		
Province of Newfoundland	50,000	50,000
Other revenue		
Proceeds from sale of fixed assets	2,757	465
Miscellaneous	1,294	6,160
	3,274,051	2,964,125
EXPENDITURE		
Salaries	1,582,859	1,408,435
Books	517,672	616,552
Conferences and workshops	22,064	27,041
Periodicals	140,502	128,644
Travelling	48,437	36,917
Janitorial services and security	5,216	5,254
Books by mail	13,863	13,419
Miscellaneous	3,637	12,145
Furniture and equipment	49,612	51,882
Repairs and maintenance	18,221	19,352
Advertising	1,427	1,250
Telephone and telegraph	27,043	25,199
Bookmobile expenses	39,837	32,685
Rental grants to regions	47,622	57,198
Rental of equipment	2,587	2,823
Office supplies	78,346	95,524
Insurance	23,652	20,298
Grants to local libraries (Schedule 1, Note 4)	524,977	490,591
Automation	19,070	—
	3,166,644	3,045,209
Excess of revenue over expenditure	107,407	(81,084)
Deficit (Surplus) - Beginning of year		
As previously reported	35,498	(46,686)
Less - Correction of prior years' error (Note 4)	1,100	—
As restated	34,398	(46,686)
Surplus (Deficit) - End of year	$ 73,009	$ (34,398)

See accompanying notes

SCHEDULE 1

THE NEWFOUNDLAND PUBLIC LIBRARIES BOARD

Grants to Local Libraries
For the year ended 31 March 1981

Operating grants		
Community Library Services		
Arnolds Cove	$ 3,000	
Bonavista	3,600	
Burin	7,400	
Cartwright	4,500	
Catalina	3,600	
Churchill Falls	6,000	
Clarenville	6,000	
Fortune	3,800	
Garnish	2,700	
Grand Bank	6,000	
Happy Valley	5,900	
Labrador City	5,000	
L'anse au Loup	4,000	
Marystown	5,900	
Port Saunders	3,900	
St. Anthony	7,200	
St. Lawrence	5,300	
St. Lunaire-Griquet	4,500	
Southern Harbour	4,000	
Wabush	5,700	$ 98,000
Central Region		
Baie Verte	3,910	
Bishop's Falls	6,500	
Botwood	3,836	
Buchans	2,600	
Burgeo	5,036	
Gaultois	2,720	
Grand Falls	19,537	
Harbour Breton	3,450	
Harry's Harbour	2,836	
Hermitage	3,161	
Kings Point	5,500	
LaScie	3,536	
Norris Arm	5,000	
Point Leamington	4,600	
Ramea	3,286	
Roberts Arm	3,025	
St. Albans	3,900	
Seal Cove	3,331	
Springdale	3,930	
Windsor	7,306	97,000
Western Region		
Bay St. George South	4,700	
Cape St. George	3,000	
Channel-Port aux Basques	20,297	
Codroy Valley	3,000	
Cormack	2,300	
Corner Brook	21,800	
Cow Head	5,350	
Daniels Harbour	2,550	
Deer Lake	19,106	82,103

Western Region (cont'd)

Lark Harbour	$ 3,000	
Lourdes	2,670	
Norris Point	3,000	
Pasadena	4,000	
Port au Port East	6,600	
Port au Port West	3,150	
Rocky Harbour	5,750	
St. Georges	2,950	
Sops Arm	3,256	
Stephenville	28,255	
Stephenville Crossing	3,200	
Woody Point	2,850	$150,784

Gander Region

Badger's Quay	3,292	
Carmanville	8,520	
Centreville	4,030	
Change Islands	3,235	
Dark Cove	6,685	
Dover	3,776	
Fogo	7,525	
Gander	16,959	
Glenwood	1,870	
Glovertown	3,540	
Greenspond	1,944	
Hare Bay	3,252	
Lewisporte	3,708	
Lumsden	4,140	
Musgrave Harbour	3,340	
Summerford	2,082	
Twillingate	5,807	
Wesleyville	4,238	87,943

Avalon Region

Bay Roberts	5,100	
Bell Island	2,600	
Brigus	1,400	
Carbonear	8,500	
Conception Bay South	12,500	
Fox Harbour	2,100	
Freshwater	2,200	
Harbour Grace	5,400	
Mount Pearl	4,000	
Old Perlican	4,300	
Placentia	7,300	
Pouch Cove	4,600	
St. Brides-Cape Shore	6,000	
Spaniard's Bay	2,100	
Torbay	5,000	
Trepassey	3,400	
Upper Island Cove	3,400	
Victoria	2,700	
Whitbourne	5,250	
Winterton	3,400	91,250
		$524,977

See accompanying notes

THE NEWFOUNDLAND PUBLIC LIBRARIES BOARD

Notes to the Financial Statements
For the year ended 31 March 1981

1. Accounting Policies

Inventory of Supplies

Inventory of supplies is valued at the lower of cost or replacement cost.

Fixed Assets

The Board follows the practice of expensing building, furniture, equipment and books to expenditure in the year of acquisition. No adjustments have been made for asset disposals.

2. Outstanding Commitments

As at 31 March 1981 the Board had outstanding commitments for the purchase of books amounting to $78,706 (1980 - $157,789).

3. Lease Agreement

The Board has entered into a lease agreement for rental of 140 Microfiche Readers, which requires the Board to make monthly payments of $1,127 for the period 1 February 1981 to 1 February 1986.

4. Correction of Error in Prior Year

As a result of an accounting error made in the 1980 year and corrected in the 1981 year, the balance of the deficit as at 1 April 1980 has been reduced by $1,100. This amount was incorrectly charged to grants to local libraries in the 1980 year. The financial statements of the 1980 year have been restated to reflect the correction of this error and expenditures and bank overdraft have been reduced by $1,100.

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AUDITOR'S REPORT

TO: The Shareholders of NORDCO Limited:—

We have examined the balance sheet of NORDCO Limited as at 31st March 1981 and the statements of earnings, deficit and shareholders' contributed surplus, and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at 31st March 1981 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied, after giving retroactive effect to the change in the method of accounting for shareholders' contributions as explained in note 2 to the financial statements, on a basis consistent with that of the preceding year.

BAIRD & BAIRD
Chartered Accountants

St. John's, Newfoundland
16 June 1981

NORDCO

Balance
As at 31st

	1981	1980
Assets		
Current Assets		
Cash	600	600
Accounts receivable (Note 3)		
Trade (Note 4)	683,468	748,462
Grants	—	145,528
Prepaid expenses and supplies	60,965	46,798
	745,033	941,388
Long-Term Investments (Note 4)	125,366	125,366
Fixed Assets (Notes 5 and 6)	1,833,743	838,513
	$ 2,704,142	1,905,267

Signed on behalf of the Board

______________________________ Director

______________________________ Director

LIMITED
Sheet
March 1981

	1981	1980
Liabilities		
Current Liabilities		
Bank overdraft	117,747	108,347
Bank loan (Note 3)	90,000	759,000
Accounts payable	717,467	562,492
	925,214	1,429,839
Long-Term Debt (Note 6)		
Non-interest bearing mortgage	797,000	—
	1,722,214	1,429,839
Shareholders' Equity		
Capital Stock (Note 7)		
Authorized —		
100 common shares with a par value of $1,000 each		
Issued and fully paid —		
7 common shares	7,000	3,000
Shareholders' Contributed Surplus	2,945,135	1,479,135
Deficit	(1,970,207)	(1,006,707)
	981.928	475,428
	$ 2,704,142	1,905,267

NORDCO LIMITED

Statement of Earnings
For the year ended 31 March 1981

	1981	1980
Revenue	2,698,002	2,430,960
Direct Expenses		
Job costs	543,490	1,079,740
Salaries and employee benefits	920,784	744,899
	1,464,274	1,824,639
Gross Profit	1,233,728	606,321
Expenses		
Advertising and promotion	65,371	65,523
Bad debts	10,562	—
Conferences and conventions	29,624	19,749
Depreciation	230,003	221,255
Directors' fees	827	2,750
In-house projects	104,021	255,205
Insurance	30,228	26,005
Interest and bank charges	123,163	127,193
Laboratory and technical	89,814	72,579
Light and heat	33,148	25,580
Management information systems	42,509	17,064
Miscellaneous	11,099	3,982
Municipal taxes	20,420	10,674
Ocean information centre	16,250	30,037
Office	63,389	51,391
Professional fees	42,932	60,460
Rent — buildings	173,356	154,805
equipment	16,569	20,094
Salaries, and employee benefits - research, operations and administration	1,004,220	1,121,563
Staff recruitment	17,392	25,980
Subsidy-operating expenses of affiliate	31,500	9,000
Telephone and postage	66,896	52,629
Travel	15,547	22,394
	2,238,840	2,395,912
	(1,005,112)	(1,789,591)
Other Income		
Profit on sale of fixed assets	41,612	21,336
Loss	$ (963,500)	(1,768,255)

NORDCO LIMITED

Statement of Changes in Financial Position
For the year ended 31 March 1981

	1981	1980
Source of Working Capital		
Shareholders' contributions	1,466,000	988,127
Proceeds on sale of fixed assets	109,528	68,100
Proceeds from long-term debt	797,000	—
Issue of common shares	4,000	—
	2,376,528	1,056,227
Use of Working Capital		
Required for operations —		
Loss	963,500	1,768,255
Items not affecting working capital -		
Depreciation	230,003	221,255
Profit on disposal of fixed assets	41,612	21,336
	188,391	199,919
	775,109	1,568,335
Purchase of fixed assets	1,293,149	369,782
Increase in long-term investments	—	75,004
	2,068,258	2,013,122
Increase (Decrease) in Working Capital	308,270	(956,895)
Working Capital (Deficiency) - Beginning of year	(488,451)	468,444
Working Capital Deficiency - End of year	$ (180,181)	(488,451)

NORDCO LIMITED

Statements of Deficit and Shareholders' Contributed Surplus
For the year ended 31 March 1981

	1981	1980
Deficit		
Balance - Beginning of year		
As previously reported	472,428	1,252,556
Adjustment for change in accounting policy (Note 2)	(1,479,135)	(491,008)
	(1,006,707)	761,548
Loss	(963,500)	(1,768,255)
Balance - End of year	$(1,970,207)	(1,006,707)
Shareholders' Contributed Surplus		
Balance - Beginning of year		
As previously reported	—	—
Adjustment for change in accounting policy (Note 2)	1,479,135	491,008
	1,479,135	491,008
Shareholders' contributions	1,466,000	988,127
Balance - End of year	$ 2,945,135	1,479,135

NORDCO LIMITED

Notes to Financial Statements
For the year ended 31 March 1981

1. **Accounting Policies**

Depreciation

The fixed assets are depreciated using the following methods and rates:

Asset	Method	Rate
Building	Straight Line	2 1/2%
Equipment	Declining balance	20%
Leasehold improvements	Straight line	20%
Vehicles	Declining balance	30%

Research and Development

Research and development costs, which are the result of internal development, are expensed in the period in which they are incurred.

Shareholders' Contributions

The company receives contributions for financing its operations from its shareholders, Departments of the Government of Newfoundland. These contributions are recorded as contributed surplus.

2. **Adjustment For Change In Accounting Policy**

The company has given retroactive effect to a change in its policy regarding the treatment of contributions received from its shareholders; Departments of the Government of Newfoundland. In prior years, such contributions were recorded as revenue and are now recorded as contributed surplus. Adjustments to retained earnings (deficit), earnings and contributed surplus have been recorded as follows:

Contributed Surplus - Prior to policy change	
Adjustments to retained earnings;	
As at 31st March 1979	491,008
Year ended 31st March 1980	988,127
	1,479,135
Reduction in 1981 revenue	1,466,000
Contributed Surplus - End of year	$ 2,945,135

3. **Security For The Bank Loan**

The accounts receivable have been pledged as security for the bank loan.

4. Long-Term Investments

	1981	1980
Shares - at cost	34	34
Non-interest bearing loan with no specific repayment terms	125,332	125,332
	$ 125,366	125,366

The company has a 34% interest in Geonautics Limited, a company that provides marine engineering services. The investors have jointly and severally guaranteed bank loans for Geonautics Limited which had a balance outstanding at 31st December 1980 of $3,000 and an approved credit limit of $300,000.

For the year ended 31st December 1980, Geonautics Limited had a loss of $12,532 and had an accumulated deficit of $426,576 as at that date.

The accounts receivable include a trade account receivable from Geonautics Limited of $71,556 and $120,108 in 1981 and 1980 respectively.

During the year, the company received fees of $240,779 from contracts with Geonautics Limited.

5. Fixed Assets

	Cost	Accumulated Depreciation	Net Book Value 1981	Net Book Value 1980
Land	48,700	—	48,700	—
Building	919,232	3,321	915,911	—
Equipment	1,590,166	751,836	838,330	783,074
Leasehold improvements	115,452	89,489	25,963	48,526
Vehicles	9,876	5,037	4,839	6,913
	$ 2,683,426	849,683	1,833,743	838,513

6. Long-Term Debt

The building has been pledged as security for the non-interest bearing mortgage which is payable to the Government of Newfoundland. Payments commence on 31st December 1986 and are to be made in ten equal annual instalments thereafter.

7. Issue of Common Shares

During the year, the company issued four common shares at par value. As a result, the company is no longer wholly-owned by the Government of Newfoundland.

8. Income Taxes

In prior years, because the company was wholly-owned by government, it was tax exempt under the income tax laws of Canada. As a result of the issue of additional common shares as described in Note 7, the company is now subject to income taxes.

9. Lease Obligations

At 31st March 1981, the company had lease commitments providing for annual rentals of $85,000 for 1982.

10. Comparative Figures

Certain of the 1980 figures on the schedule of expenses have been reclassified to conform to the 1981 financial statement presentation.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders
Northern Hospitals Building Corporation Limited
Confederation Building
St. John's, Newfoundland

I have examined the balance sheet of the Northern Hospitals Building Corporation Limited as at 31 March 1980 and the statement of income and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the corporation as at 31 March 1980 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

R.E. GRUCHY, C.A.
for J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
17 March 1982

NORTHERN HOSPITALS BUILDING

Balance
31 March

	1980	1979
ASSETS		
Current assets:		
Cash	$ 702	$ 647
Accrued rent	100,680	102,930
	101,382	103,577
Fixed assets, at cost: (Note 5)		
Hospitals:		
Labrador City:		
Land	10,000	10,000
Buildings	5,018,371	5,018,371
	5,028,371	5,028,371
Baie Verte:		
Land	4,000	4,000
Buildings and equipment	2,460,441	2,460,441
	2,464,441	2,464,441
Happy Valley:		
Land	2,000	2,000
Buildings and equipment	1,783,084	1,783,004
	1,785,084	1,785,084
	9,277,896	9,277,896
Less: Government grant in aid of construction	330,104	330,104
	8,947,792	8,947,792
Intangible assets:		
Organization expense	264	264
Sinking fund held by trustee: (Note 3)		
Series "A" Bonds:		
Cash	8,698	11,151
Investments (Note 2)	2,316,995	2,056,000
Accrued interest	33,692	34,338
	2,359,385	2,101,489
Total assets	$11,408,823	$11,153,122

STATEMENT 1

CORPORATION LIMITED

Sheet

1980

		1980	1979
LIABILITIES			
Current liabilities:			
Accrued interest on bonds		$ 100,680	$ 102,930
Current portion of long-term debt		160,000	150,000
		260,680	252,930
First Mortgage Singing Fund Bonds: (Notes 3, 4 and 5)			
6% Series "A", dated 1 June 1964, maturing 1 June 1989		3,450,000	3,450,000
6% Series "B", dated 30 July 1964, maturing 1 January 1990		1,952,000	2,112,000
		5,402,000	5,562,000
Total liabilities		5,662,680	5,814,930
SHAREHOLDERS' EQUITY			
Share capital:			
Authorized 100 common shares of par value of $1,000 each	$100,000		
Issued and fully paid 3 shares		3,000	3,000
Capital contributions:			
Contributions from various enterprises		1,803,300	1,803,300
Repayment of long-term debt by the Province of Newfoundland		1,538,000	1,388,000
		3,341,300	3,191,300
Retained earnings		42,458	42,403
Sinking fund balance		2,359,385	2,101,489
Total shareholders' equity		5,746,143	5,338,192
Total liabilities and shareholders' equity		$11,408,823	$11,153,122

See accompanying notes

Signed on behalf of the Board of Directors

PHILIP J. WALL
Director

GILBERT G. GILL
Director

STATEMENT 2

NORTHERN HOSPITALS BUILDING CORPORATION LIMITED

Statement of Income and Retained Earnings
For the year ended 31 March 1980

	1980	1979
REVENUE		
Province of Newfoundland		
Rental of Labrador City, Baie Verte and Happy Valley hospitals	$590,641	$589,013
Interest income	4,335	2,777
	594,976	591,790
EXPENDITURE		
Debt charges:		
Payments to trustee for bondholders on account of principal and interest on First Mortgage Bonds		
Principal	236,250	228,250
Interest	338,250	347,010
	574,500	575,260
Trustee's fees and sundry	4,428	4,037
Fire insurance premium	11,713	9,716
	590,641	589,013
Excess of revenue over expenditure	4,335	2,777
Retained earnings, beginning of year	42,403	41,756
	46,738	44,533
Amount paid to the Province	4,280	2,130
Retained earnings, end of year	$ 42,458	$ 42,403

See accompanying notes

NORTHERN HOSPITALS BUILDING CORPORATION LIMITED

Notes to Financial Statements
For the year ended 31 March 1980

1. **Accounting policies**

(a) **Fixed assets**

Fixed assets are not being depreciated but payments of principal and interest on long-term debt are expensed in the financial statements. Also certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholders and which were paid for by the Lessee, are not included in these accounts.

(b) **Interest income**

All payments on account of principal and interest on the First Mortgage Bonds are paid into a Debt Service Fund. The interest on the funds is recorded as interest income and is periodically paid to the Province as a distribution of surplus.

(c) **Rental revenue**

The rental revenue received from the Province is equal to the annual amount required to be paid on account of principal and interest and other expenses. Thus, accrued rent equals accrued interest on bonds.

2. **Sinking fund investments**

Investments held at 31 March 1980 were:

	Principal Amount	Market Value	Cost
Northern Hospitals Building Corporation Limited, Series "A", 6%, maturing June 1989	$1,646,000	$ 958,796	$1,258,126
Newfoundland and Labrador Hydro - 8 7/8%, maturing March 1999	91,000	60,288	85,873
Province of Newfoundland - 8%, maturing February 1993	50,000	32,438	49,762
Province of Newfoundland - 6 1/2%, maturing May 1992	1,000	585	865
Province of Newfoundland - 8 1/4%, maturing September 1992	11,000	10,739	10,643
Province of Newfoundland - 8 7/8%, maturing September 1994	105,000	73,631	105,600
Province of Newfoundland - 8 1/2%, maturing June 1994	33,000	21,780	33,000
Royal Trust Guaranteed Investment Certificates	773,126	773,126	773,126
	$2,710,126	$1,931,383	$2,316,995

3. **During each of the ensuing five years the Corporation is required to pay to the Sinking Fund principal amounts of $86,250 on the 6% Series "A" Bonds, dated 1 June 1964, maturing 1 June 1989.**

4. **Principal payments coming due on the First Mortgage 6% Series "B" Bonds from 1981 to 1985 are: $160,000; $169,000; $179,000; $191,000 and $202,000 respectively.**

5. **Fixed assets have been pledged as security for the long-term debt.**

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders
Nurses' Training School Building
Corporation Limited
St. John's, Newfoundland

I have examined the balance sheet of the Nurses' Training School Building Corporation Limited as at 31 March 1981 and the statement of income and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the corporation as at 31 March 1981 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
23 November 1982

NURSES' TRAINING SCHOOL

Balance
31 March

	1981	1980
ASSETS		
Current assets:		
Prepaid expenses	$ 1,601	$ 1,334
Fixed assets, at cost: (Note 3)		
Land	50,000	50,000
Building	5,554,056	5,554,056
	5,604,056	5,604,056
Intangible assets:		
Organization expense	256	256
Debt service fund:		
Investments held by trustee, at cost	190,269	152,238
Accrued interest	4,011	4,069
	194,280	156,307
Total assets	$5,800,193	$5,761,953

STATEMENT 1

BUILDING CORPORATION LIMITED

Sheet
1981

LIABILITIES

Current liabilities:			
Deferred revenue - per contra		$ 1,601	$ 1,334
Current portion of long-term debt		297,000	278,000
		298,601	279,334
Long-term debt: (Notes 2 and 3)			
6 1/2% First Mortgage Serial Bonds dated 1 October 1961, maturing 1 December 1987		2,236,000	2,533,000
Total liabilities		2,534,601	2,812,334

SHAREHOLDERS' EQUITY

Share capital:			
Authorized 100 common shares of par value of $1,000 each	$100,000		
Issued and fully paid 3 shares		3,000	3,000
Capital contributions:			
Repayment of long-term debt by the Province of Newfoundland		3,067,000	2,789,000
Other		1,312	1,312
		3,068,312	2,790,312
Debt service fund balance		194,280	156,307
Total shareholders' equity		3,265,592	2,949,619
Total liabilities and shareholders' equity		$5,800,193	$5,761,953

See accompanying notes

Signed on behalf of the Board of Directors

GILBERT G. GILL
Director

PHILIP J. WALL
Director

STATEMENT 2

NURSES' TRAINING SCHOOL BUILDING CORPORATION LIMITED

Statement of Revenue and Expenditure
For the year ended 31 March 1981

REVENUE

	1981	1980
Province of Newfoundland		
Rental of Nurses' Training School	$448,407	$449,714
Interest income	15,850	14,415
	$464,257	$464,129

EXPENDITURE

	1981	1980
Debt charges:		
Payment to trustee for bondholders on account of principal and interest on First Mortgage Serial Bonds:		
Principal	$284,000	$266,000
Interest	172,239	189,822
	456,239	455,822
Trustee's fees and sundry	1,881	1,902
Fire insurance expense	6,137	6,405
	$464,257	$464,129

See accompanying notes

NURSES' TRAINING SCHOOL BUILDING CORPORATION LIMITED

Notes to Financial Statements
31 March 1981

1. **Accounting Policies**

   (a) **Fixed assets**

   Fixed assets are not being depreciated but payments of principal and interest on long-term debt are expensed in the financial statements. Also certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholders and which were paid for by the Lessee, are not included in these accounts.

   (b) **Interest income and rental revenue**

   The rental revenue received from the Province and interest earned on the Debt Service Fund is equal to the annual amount required to be paid on account of principal and interest, and other expenses. Thus deferred revenue equals prepaid expenses of the Corporation.

2. Principal payments coming due on the First Mortgage 6 1/2% Serial Bonds from 1981-82 to 1985-86 are: $297,000; $315,000; $337,000; $359,000 and $382,000 respectively.

3. Fixed assets have been pledged as security for the long-term debt.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

The Board of Trustees of the
Power Distribution District of
Newfoundland and Labrador
St. John's, Newfoundland

I have examined the balance sheet of The Board of Trustees of the Power Distribution District of Newfoundland and Labrador as at 31 March 1981 and the statement of income and deficit for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at 31 March 1981 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
20 October 1981

BOARD OF TRUSTEES
THE POWER DISTRIBUTION DISTRICT OF NEWFOUNDLAND AND LABRADOR

Index to Financial Statements
31 March 1981

Balance Sheet **Statement 1**

Statement of Income and Deficit **" 2**

STATEMENT 1

THE POWER DISTRIBUTION DISTRICT OF NEWFOUNDLAND AND LABRADOR

Balance Sheet

31 March 1981

$(000)

ASSET

Current asset	
Due from Newfoundland and Labrador Hydro	$ 270

LIABILITIES AND DEFICIT

Current liability	
Due to the Province of Newfoundland	$ 270
Long-term debt (Note 3)	6,582
Deficit	(6,582)
Total liabilities and deficit	$ 270

See accompanying notes

Signed on behalf of the Board

VICTOR YOUNG	J.P. HENDERSON
Chairman	Member

STATEMENT 2

THE POWER DISTRIBUTION DISTRICT OF NEWFOUNDLAND AND LABRADOR

Statement of Income and Deficit

For the year ended 31 March 1981

	1981 (000)	1980 (000)
Revenue	$15,436	$13,709
Expenses		
Generation, transmission and administration	27,714	24,812
Depreciation	59	288
Interest	915	214
	28,688	25,314
Loss before subsidy	13,252	11,605
Subsidy (Note 4)	13,265	12,390
Net income	13	785
Net income transferred to Province of Newfoundland	(13)	—
	—	785
Deficit (Note 2)		
Beginning of year	(1,008)	(1,793)
Loss on transfer of assets to Newfoundland and Labrador Hydro	(2,863)	—
Transfer of net working capital to the Province of Newfoundland	(2,711)	—
	(6,582)	(1,793)
End of year	$(6,582)	$(1,008)

See accompanying notes

THE POWER DISTRIBUTION DISTRICT OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements

31 March 1981

The Power Distribution District of Newfoundland and Labrador (P.D.D.) is a statutory corporation of Newfoundland and is responsible for the generation and distribution of electricity at subsidized rates to its customers in certain remote rural communities.

1. Accounting policies

Administrative agreement

Newfoundland and Labrador Hydro (Hydro) will finance all future capital requirements of P.D.D. and will continue to manage P.D.D.'s operating responsibilities.

P.D.D. will continue to be supplier of record to its customers and will reimburse Hydro fully for all costs associated with serving these customers, including financing costs of its capital requirements.

Subsidy

The Province of Newfoundland will provide a subsidy, directly to P.D.D., representing the difference between the revenues P.D.D. receives and the cost it pays Hydro for rendering such services and including the annual principal and interest on its long-term debt.

As the subsidy includes the financing cost of the long-term debt, the annual accumulated deficit and long-term debt should decrease in equal amounts.

Capitalized expenses

It is the policy of P.D.D. to capitalize a portion of operating costs as an estimate of the cost incurred in its function of providing services to capital construction projects. This allocation to the projects is determined monthly by calculating 10% of the capital costs incurred during the month. In the fiscal year 1980-81, $1,283,000 was capitalized (1979-80 $924,000).

2. Orders in Council

On 1 April 1980, as directed by Orders in Council numbers 443-'80 and 131—'81 of the Government of Newfoundland and Labrador, Hydro acquired the fixed assets of P.D.D. for a nominal amount and also acquired P.D.D.'s current assets and current liabilities at cost. Consequently, comparative figures have not been presented on the balance sheet.

3. **Long-term debt**

	1981	1980
	(000)	(000)
Serial debentures	$ 262	$ 334 (a)
Newfoundland Municipal Financing Corporation	3,041	3,275 (a)
Municipal Development Loan Board	2,890	2,974 (b)
Northern Canada Power Commission	389	398 (b)
	$6,582	$6,981

Guaranteed as to principal and interest by the Province of Newfoundland except for debentures outstanding of $3,040,661 issued to Newfoundland Municipal Financing Corporation.

a. Debentures

These debentures bear interest at various rates from 5 1/2% to 9 1/2% and each loan is repayable by 15 to 20 equal annual instalments including interest. The years of issue range from 1962 to 1971 and the years of maturity range from 1982 to 1990.

b. Loans from Government of Canada

These loans bear interest at various rates from 5 1/4% to 5 5/8% and each loan is repayable by 15 to 40 equal annual instalments including interest. The years of issue range from 1967 to 1968 and the years of maturity range from 1981 to 2006.

4. **Subsidy**

Subsidy includes operating subsidy of $12,800,000 and $465,000 interest on long-term debt.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Chairman and Members
of the Public Accountants' Licensing Board
St. John's, Newfoundland

I have examined the statement of receipts and disbursements of the Public Accountants' Licensing Board for the year ended 31 December 1981. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, this financial statement presents fairly the receipts and disbursements of the Board for the year ended 31 December 1981 prepared on a cash basis of accounting consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
24 February 1982

PUBLIC ACCOUNTANTS' LICENSING BOARD

Statement of Receipts and Disbursements
For the year ended 31 December 1981

	1981	1980
RECEIPTS		
Licences	$1,255	$1,355
Interest on certificate of deposit	403	373
Total receipts	1,658	1,728
DISBURSEMENTS		
Salary	600	600
Office supplies and expenses	1,147	285
Bank chrges	5	6
Total disbursements	1,752	891
Excess of disbursements over receipts	94	(837)
Bank balances, 1 January		
Current account	584	120
Certificates of deposit	3,418	3,045
	4,002	3,165
Bank balances, 31 December		
Current account	1,257	584
Certificate of deposit	2,651	3,418
	$3,908	$4,002

Signed on behalf of the Public Accountants' Licensing Board

J. HALLEY
Chairman

DAVID R. BAIRD
Member

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AUDITORS' REPORT

To the Members of the
Board of Commissioners of Public Utilities

We have examined the balance sheet of the Board of Commissioners of Public Utilities as at December 31, 1981 and the statements of revenue, expenditure and surplus and changes in cash position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

As outlined in Note 1 to the financial statements the Board follows the policy of writing off all capital expenditures to expense in the year of acquisition. In this respect, the financial statements are not in accordance with generally accepted accounting principles.

In our opinion, except for the fact that capital expenditures are expensed in the year of acquisition as described in the preceding paragraph, these financial statements present fairly the financial position of the Board as at December 31, 1981 and the results of its operations and the changes in its cash position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

DOANE RAYMOND
Chartered Accountants

St. John's, Newfoundland
March 31, 1982.

BOARD OF COMMISSIONERS

Balance
December 31,

	1981	1980
ASSETS		
Current		
Cash and term deposits	$ 247,294	$ 172,027
Investments maturing within one year		15,000
Receivables		
Accrued interest	1,551	1,769
Hearing costs	52,991	3,319
Assessments and fees	32,586	57,260
Prepaid expenses	14,932	2,677
	349,354	252,052
Investments (Note 2)	45,025	45,025
	$ 394,379	$ 297,077

OF PUBLIC UTILITIES

Sheet
1981

LIABILITIES

	1981	1980
Current		
Payables and accruals	$ 136,107	$ 55,366
Motor carriers' deposits	12,500	10,712
Hearing cost deposits	8,160	6,880
	156,767	72,958

SURPLUS

	1981	1980
Surplus	237,612	224,119
	$ 394,379	$ 297,077

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Statement of Revenue, Expenditure and Surplus
Year ended December 31, 1981

	1981	1980
Revenue		
Assessments	$ 432,718	$ 396,710
Certificates - motor carriers	404,791	410,194
Fines	18,566	22,234
Hearings	32,050	20,550
Investment income	53,535	36,281
Special recovery	27,962	18,564
Sundry	37,373	28,542
	$1,006,995	$933,075
Expenditure		
Advertising and notices	226	533
Doubtful accounts	515	1,775
Financial and actuarial advisors	33,837	30,096
Furniture and equipment purchased	5,861	29,879
Group life and health insurance	5,011	3,474
Inspection supplies and equipment	162	5,335
Insurance	5,224	4,997
License plates	5,745	4,672
Office supplies and printing	47,287	46,524
Pension contributions	29,718	26,381
Pension payments	15,855	14,604
Postage	6,399	6,537
Professional fees	3,000	2,600
Rent	100,163	87,450
Salaries	601,861	539,316
Solicitors' fees	35,460	24,531
Sundry	1,960	3,551
Telephone and telegraph	24,910	20,513
Travelling	33,879	48,243
Unemployment insurance	9,674	6,649
Vehicle operating	18,595	12,825
Vehicle purchased	8,160	24,670
	993,502	945,155
Excess of revenue over expenditure	13,493	(12,080)
Surplus, beginning of year	224,119	236,199
Surplus, end of year	$ 237,612	$ 224,119

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Statement of Changes in Cash Position
Year ended December 31, 1981

	1981	1982
Cash derived from		
Operations		
Excess of revenue over expenditure	$ 13,493	$
Decrease in investments maturing within one year	15,000	
Increase in payables and accruals	80,741	13,735
Increase in motor carriers' deposits	1,788	2,721
Increase in hearing cost deposits	1,280	1,120
	112,302	17,576
Cash applied to		
Operations		
Excess of expenditure over revenue		12,080
Increase in receivables	24,780	7,978
Increase in prepaid expense	12,255	742
	37,035	20,800
Increase (decrease) in cash	75,267	(3,224)
Cash, beginning of year	172,027	175,251
Cash, end of year	$ 247,294	$172,027

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Notes to Financial Statements

December 31, 1981

1. **Accounting policy**

The Board follows a policy of writing off all capital expenditures to expense in the year of acquisition.

2. **Investments, at cost**

	Par Value	Cost
Province of Newfoundland & Labrador		
— 5½ % sinking fund debentures, maturing May 15, 1983	$ 10,000	$ 9,900
— 6¾ % sinking fund debentures, maturing January 15, 1992	10,000	9,875
— 10% sinking fund debentures, maturing February 17, 1996	25,000	25,250
	$ 45,000	$45,025

3. **Commitments**

(a) The Board has annual commitments for rentals of office space and equipment of approximately $122,500 for the year ending December 31, 1982 and varying amounts for the following four years.

(b) The Board is committed to pension payments to two former employees, not eligible for pensions under the Public Service (Pensions) Act. The commitment for 1982 will approximate $17,400, with an 8% annual escalation provision.

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Chariman and Members
St. John's Housing Authority
St. John's, Newfoundland

I have examined the balance sheet of The St. John's Housing Authority as at 30 June 1981 and the statements of income and expenditure and partnership account for the six months then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Authority as at 30 June 1981 and the results of its operations for the six months then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

R.E. GRUCHY, C.A.
for J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
27 April 1982

THE ST. JOHN'S HOUSING AUTHORITY FEDERAL-PROVINCIAL RENTAL HOUSING PROJECTS

Index to Financial Statements

30 June 1981

Balance Sheet	**Statement 1**
Statement of Income and Expenditure	**" 2**
Statement of Partnership Account	**" 3**

THE ST. JOHN'S
FEDERAL-PROVINCIAL

Balance
30 June
(with comparative figures

	1981	1980
ASSETS		
Cash	$257,929	$ 84,100
Rents receivable	325,496	322,216
Less: Allowance for doubtful accounts	236,855	228,860
	88,641	93,356
Accounts receivable	1,999	1,634
Office furniture and equipment	5,636	5,636
Less: Amounts expensed in year of acquisition	5,636	5,636
	—	—
Due from partnership - Statement 3	37,673	423,414
Total assets	$386,242	$602,504

STATEMENT 1

HOUSING AUTHORITY RENTAL HOUSING PROJECTS

Sheet
1981
as at 31 December 1980)

	1981	1980
LIABILITIES		
Accounts payable and accrued liabilities	$222,835	$507,933
Contract holdbacks payable	29,434	36,651
Due to Canada Mortgage and Housing Corporation	13,396	13,396
Due to Newfoundland and Labrador Housing Corporation	93,503	24,662
Prepaid rents	27,074	19,862
Total liabilities	$386,242	$602,504

See accompanying notes

Signed on behalf of the Authority

P.J. WITHERS
Chairman

W.P. MILLER
Member

STATEMENT 2

THE ST. JOHN'S HOUSING AUTHORITY FEDERAL-PROVINCIAL RENTAL HOUSING PROJECTS

Statement of Income and Expenditure

For the six months ended 30 June 1981

(with comparative figures for the year ended 31 December 1980)

	1981	1980
INCOME		
Property rentals	$1,286,607	$2,347,513
EXPENDITURE		
Administrative	250,784	327,174
Property expenses:		
Exterior painting	12,000	85,677
Interior painting	15,321	38,494
Modernization costs	276,748	913,888
Operating costs	595,569	970,449
Maintenance costs	249,615	487,802
Municipal taxes and services	283,834	472,502
Bad debt expense	7,995	44,061
	1,441,082	3,012,873
Interest and amortization for capital expenditure		
Interest	2,271,755	3,924,220
Amortization	92,909	174,019
	2,364,664	4,098,239
Total expenditure	4,056,530	7,438,286
Loss for period carried forward to Partnership Account - Statement 3	$2,769,923	$5,090,773

See accompanying notes

STATEMENT 3

THE ST. JOHN'S HOUSING AUTHORITY FEDERAL-PROVINCIAL RENTAL HOUSING PROJECTS

Statement of Partnership Account

For the six months ended 30 June 1981
(with comparative figures for the year ended 31 December 1980)

	Canada Mortgage and Housing Corporation	Newfoundland and Labrador Housing Corporation	1981	1980
Due from (to) Partnership (Note 2)				
Balance, beginning of period	$ 52,845	$ 370,569	$ 423,414	$ 201,880
Add: Loss for the period Statement 2	2,077,443	692,480	2,769,923	5,090,773
	2,130,288	1,063,049	3,193,337	5,292,653
Less: Interest and amortization for the period	1,741,398	623,266	2,364,664	4,098,239
Payments received from Partnership during the period	—	791,000	791,000	771,000
	1,741,398	1,414,266	3,155,664	4,869,239
Balance, end of period	$ 388,890	$ (351,217)	$ 37,673	$ 423,414

See accompanying notes

THE ST. JOHN'S HOUSING AUTHORITY FEDERAL-PROVINCIAL RENTAL HOUSING PROJECTS

Notes to Financial Statements
For the six months ended 30 June 1981

1. Accounting policies

   (a) The Agreement between the Province and Canada Mortgage and Housing Corporation and The St. John's Housing Authority provides that the Authority operate and administer rental housing projects. The only fixed assets held by the Authority are office furniture and equipment which are expensed in the year of acquisition.

   (b) Performance deposits are required on contracts let and are reflected under cash and offset by a liability.

2. Under Federal-Provincial agreements, Canada Mortgage and Housing Corporation and the Newfoundland and Labrador Housing Corporation have agreed to pay 75% and 25% respectively of any operating deficits incurred by the Authority.

3. The Authority is committed to pay annual instalments of principal and interest totalling $4,729,328 to the partnership (Canada Mortgage and Housing Corporation 75%, Newfoundland and Labrador Housing Corporation 25%) for periods ranging from 21 to 49 years, relating to various Federal-Provincial Rental Housing Projects. Certain of these instalments are based on estimated cash figures.

   The liabilities on which these instalments are made and the related assets have not been recorded in the accounts of the Authority because the various housing projects were constructed by the partnership.

4. Subsequent event

   Order-In-Council 735-'81 ordered that the powers, duties and responsibilities of The St. John's Housing Authority be transferred to the Newfoundland and Labrador Housing Corporation. Pursuant to the order, integration with the Newfoundland and Labrador Corporation took place on 1 July 1981.

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To His Honour the Lieutenant-Governor
in Council

I have examined the balance sheet of the St. John's Housing Corporation as at 31 March 1981 and the statements of revenue, expenditure and retained earnings, and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at 31 March 1981 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
30 October 1981

ST. JOHN'S HOUSING CORPORATION

Index to Financial Statements
31 March 1981

Balance Sheet Statement 1

Statement of Revenue, Expenditure and Retained Earnings " 2

Statement of Changes in Financial Position " 3

ST. JOHN HOUSING

Balance
31 March

	1981	1980
ASSETS		
Current assets		
Cash	$ 70,702	$ —
Term deposit at cost plus accrued interest	65,892	56,152
Accounts receivable (Note 2)	594,267	273,485
Inventory of land held for resale —		
Actual cost	3,459,534	2,757,327
Estimated development costs	7,120,971	653,176
Prepaid expenses	158,971	167,230
Current portion of long-term receivables	158,219	195,469
Total current assets	11,628,556	4,102,839
Long-term receivables (Note 3)	662,708	824,071
Assets held in trust (Note 4)	9,616	19,961
Property and equipment (Note 5)	13,185,600	13,210,513
Land leased to businesses (Note 6)	1,263,168	1,274,168
Total assets	$26,749,648	$19,431,552

STATEMENT 1

CORPORATION

Sheet
1981

	1981	1980
LIABILITIES AND RETAINED EARNINGS		
Current liabilities		
Bank overdraft	$ —	$ 60,615
Bank loans, unsecured	4,428,296	3,625,000
Payables and accruals (Note 7)	439,073	215,440
Deferred revenue	13,242	34,341
Estimated cost to be incurred for land held for resale	7,120,971	653,176
Current portion of long-term debt	15,667	43,700
Current portion of deferred subsidy income	30,960	33,840
Total current liabilities	12,048,209	4,666,112
Long-term debt (Note 8)	12,820,918	12,624,299
Deferred subsidy income (Note 9)	151,200	179,040
Trust fund liability (Note 4)	9,616	19,961
	25,029,943	17,489,412
Retained earnings - Statement 2	1,719,705	1,942,140
Total liabilities and retained earnings	$26,749,648	$19,431,552

Signed on behalf of the Board

P.G. WITHERS	T.M. SANFORD
Chairman	Member

See accompanying notes.

STATEMENT 2

ST. JOHN'S HOUSING CORPORATION

Statement of Revenue, Expenditure and Retained Earnings
For the year ended 31 March 1981

	1981	1980
Revenue		
Building rentals	$2,740,299	$2,505,570
Land leased to businesses	182,308	175,623
Land sales - net	620,131	175,279
Interest	104,575	27,449
Sundry	41,306	50,990
Total revenue	3,688,619	2,934,911
Expenditure		
Operation of rental properties	1,716,822	1,601,463
Municipal taxes on leased land	35,935	44,709
Depreciation	283,962	287,683
Interest on operating loans	465,757	443,020
Interest on long-term debt	1,181,876	1,100,830
Administrative and general	226,702	228,740
Total expenditure	3,911,054	3,706,445
Net loss for the year	222,435	771,534
Retained earnings, beginning of year		
As previously reported	1,942,140	2,770,512
Adjustment of prior years' land sales revenue	—	56,838
As restated	1,942,140	2,713,674
Retained earnings, end of year	$1,719,705	$1,942,140

See accompanying notes

STATEMENT 3

ST. JOHN'S HOUSING CORPORATION

Statement of Changes in Financial Position
For the year ended 31 March 1981

	1981	1980
Source of funds		
Provided from operations		
Net loss	$222,435	$ —
Depreciation	283,962	—
	61,527	—
Reduction in long-term receivables	161,363	212,514
Proceeds from long-term debt	213,447	—
Proceeds on disposal of fixed assets	—	3,293
Proceeds from sale of options on land leased to businesses	11,000	—
	447,337	215,807
Application of funds		
Applied to operations		
Net loss	—	771,534
Depreciation	—	(287,683)
Gain on disposal of fixed assets	—	(604)
	—	483,247
Additions to fixed assets	259,049	153,319
Reduction of long-term debt	16,828	46,167
Decrease in deferred subsidy income	27,840	36,960
	303,717	719,693
Increase (decrease) in working capital deficiency	(143,620)	503,886
Working capital deficiency, beginning of year		
As previously reported	563,273	2,549
Adjustment of prior years' land sales revenue	—	56,838
As restated	563,273	59,387
Working capital deficiency, end of year	$419,653	$563,273

See accompanying notes

ST. JOHN'S HOUSING CORPORATION

Notes to Financial Statements
31 March 1981

1 **Accounting policies**

(a) **Depreciation**

Depreciation is calculated on the declining balance method at rates indicated in Note 5.

(b) **Land costs**

Except for the amounts of $36,798 and $71,860 which represent the cost of land on which the Pleasantville apartments and the Elizabeth Towers building is situated, the cost of land upon which rented properties are situated is not recorded in the accounts.

(c) **Estimated development costs**

The Corporation estimates and recognizes full liability for costs in completion of land development projects in the year in which they commence, even though there may be no contractual liability of cost incurred.

2. **Accounts receivable**

	1981	1980
Land sales	$539,413	$ 99,042
Instalments on long-term receivables	4,329	11,310
Rentals	29,631	163,798
Accrued interest	35,711	11,043
Sundry	165	1,343
	609,249	286,536
Less: Allowance for doubtful accounts	14,982	13,051
	$594,267	$273,485

3. Long-term receivables

	1981	1980
(a) House mortgages receivable at interest rates varying from [illegible] 1/2% to 5% maturing at various dates to 1990	$ 93,639	$130,063
(b) Land mortgages receivable at interest rates varying from 5% to 6% maturing at various dates to :991	185,608	201,237
(c) Canada Mortgage and Housing Corporation rental subsidy receivable on apartments located at Pleasantville, St. John's, Newfoundland	541,680	688,240
	820,927	1,019,540
Less: Current portion	158,219	195,469
	$662,708	$824,071

4. Assets held in trust

Funds held by the Corporation totalling $9,616 at year end represent the balance of amounts paid by mortgagees to be used solely for the repair and maintenance of mortgaged houses.

5. Property and equipment

	1981			1980	
	Rate	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land		$ 108,659	$ —	$ 108,659	$ 108,659
Buildings	2%	16,534,775	3,589,359	12,945,416	12,950,229
Parking lots and driveways	10%	192,711	100,687	92,024	102,249
Machinery, furniture and equipment	20%	245,607	206,106	39,501	49,376
		$17,081,752	$3,896,152	$13,185,600	$13,210,513

6. Land leased to businesses

The recorded value of land leased to businesses is comprised of two amounts:

	1981	1980
— The historical value of leases signed at varying times between 1947-1966	$ 918,530	$ 918,530
— Amounts outstanding under an option agreement to purchase the land	344,638	355,638
	$1,263,168	$1,274,168

The original cost of the leased land was charged to expenditure.

7. Payables and accruals

	1981	1980
Trade	$ 181,435	$ 127,572
Accrued interest	115,056	76,836
Holdbacks	142,582	11,032
	$ 439,073	$ 215,440

8. **Long-term debt**	1981	1980
(a) Government of Newfoundland and Labrador — 7% loan with no specific terms of repayment. The interest rate on this loan will increase to 14% for the year ended 31 March 1982	$4,000,000	$4,000,000
(b) Government of Newfoundland and Labrador — interest free loan with no specific terms of repayment	1,290,000	1,290,000
(c) Canadian Imperial Bank of Commerce - 12 3/4% loan with no specific terms of repayment. The loan is secured by a first mortgage on freehold land and building situated at Elizabeth Towers in the City of St. John's	2,448,960	2,479,738
(d) Canada Mortgage and Housing Corporation — 11 3/4% mortgage with payments, as yet to be specified, to commence 1 July 1987. The loan is secured by land situated on Veteran's Road at Pleasantville In the City of St. John's	316,800	316,800
(e) Canada Mortgage and Housing Corporation — 11 3/4% mortgage with payments, as yet to be specified, to commence 1 October 1987. The loan is secured by land situated on Charter Avenue at Pleasantville in the City of St. John's	528,000	528,000
(f) Kinross Mortgage Corporation — 11 1/2% mortgage repayable in monthly principal and interest instalments of $10,562. The term of the mortgage is 5 years with an amortization period of 35 years expiring 2011. The mortgage is secured by apartment buildings located at Pleasantville in the City of St. John's	1,091,995	1,095,828
(g) Kinross Mortgage Corporation - 11 3/4% mortgage repayable in monthly principal and interest instalments of $10,938. The term of the mortgage is 5 years with an amortization period of 35 years expiring 2012. The mortgage is secured by apartment buildings located at Pleasantville in the City of St. John's	1,111,564	1,115,080
(h) Kinross Mortgage Corporation - 11 3/4% mortgage repayable in monthly principal and interest instalments of $18,163. The term of the mortgage is 5 years with an amortization period of 35 years expiring 2012. The mortgage is secured by apartment buildings located at Pleasantville in the City of St. John's	1,835,819	1,842,553
(i) Canadian Imperial Bank of Commerce — equipment loan with interest in year one at prime increasing to prime plus 1/4% for the next two. The Corporation has the option at the end of three years to convert to a term loan with interest at prime plus 1/2% repayable in at least equal annual instalments over four years	213,447	—
	12,836,585	12,667,999
Less: Current portion	15,667	43,700
	$12,820,918	$12,624,299

9. **Deferred subsidy income**

	1981	1980
Canada Mortgage and Housing Corporation assisted rental subsidy program for apartments at Pleasantville in the City of St. John's. The total of this subsidy was $345,600 to be received over a fifteen year period ending 1991. To 31 March 1981 — $163,440 had been received under the program	$ 182,160	$ 212,880
Less: Current portion	30,960	33,840
	$ 151,200	$ 179,040

10. **Subsequent events**

By a proclamation made 21 October 1981, the integration of Newfoundland and Labrador Housing Corporation and The St. John's Housing Corporation is to come into force on 1 November 1981.

11. **Comparative figures**

Certain of the 1980 financial statement figures have been restated to conform to the 1981 presentation.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To His Honour the Lieutenant-Governor
in Council

I have examined the balance sheet of the St. John's Housing Corporation as at 31 October 1981 and the statements of revenue, expenditure and retained earnings, and changes in financial position for the seven months then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at 31 October 1981 and the results of its operations and the changes in its financial position for the seven months then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
7 May 1982

ST. JOHN'S HOUSING CORPORATION

Index to Financial Statements
31 October 1981

Balance Sheet	Statement 1
Statement of Revenue, Expenditure and Retained Earnings	" 2
Statement of Changes in Financial Position	" 3

ST. JOHN'S HOUSING

Balance
31 October

	31 October 1981	31 March 1981
ASSETS		
Current assets		
Cash	$ 192,795	$ 70,702
Term deposits at cost plus accrued interest	71,686	65,892
Accounts receivable (Notes 2 and 11)	318,096	464,067
Inventory of land held for resale	11,976,150	10,580,505
Prepaid expenses	116,579	158,971
Current portion of long-term receivables	145,320	158,219
Total current assets	12,820,626	11,498,356
Long-term receivables (Note 3)	578,680	662,708
Assets held in trust (Note 4)	8,792	9,616
Property and equipment (Note 5)	13,067,297	13,185,600
Land leased to businesses (Note 6)	1,263,168	1,263,168
Total assets	$27,738,563	$26,619,448

STATEMENT 1

CORPORATION

Sheet
1981

LIABILITIES AND RETAINED EARNINGS

	31 October 1981	31 March 1981
Current liabilities		
Bank loans unsecured	$ 6,682,349	$ 4,428,296
Payables and accruals (Note 7)	881,029	439,073
Deferred revenue	121,898	13,242
Estimated cost to be incurred for land held for resale	6,070,109	7,120,971
Current portion of long-term debt	17,096	15,667
Current portion of deferred subsidy income	29,280	30,960
Total current liabilities	13,801,761	12,048,209
Long-term debt (Note 8)	12,838,083	12,820,918
Deferred subsidy income (Note 9)	134,400	151,200
Trust fund liability (Note 4)	8,792	9,616
	26,783,036	25,029,943
Retained earnings (Note 11)	955,527	1,589,505
Total liabilities and retained earnings	$27,738,563	$26,619,448

See accompanying notes

Signed on behalf of the Board

P.G. WITHERS
Chairman

W.P. MILLER
Member

STATEMENT 2

ST. JOHN'S HOUSING CORPORATION

Statement of Revenue, Expenditure and Retained Earnings
For the Seven Months ended 31 October 1981

(with comparative figures for the twelve months ended 31 March 1981)

	31 October 1981	31 March 1981
Revenue		
Building rentals	$1,673,213	$2,740,299
Land leased to businesses	85,252	182,308
Land sales - net	21,049	489,931
Interest	35,535	104,575
Sundry	44,545	41,306
Total revenue	1,859,594	3,558,419
Expenditure		
Operation of rental properties	979,379	1,716,822
Municipal taxes on leased land	—	35,935
Depreciation	161,512	283,962
Interest on operating loans	305,359	465,757
Interest on long-term debt	926,209	1,181,876
Administrative and general	121,113	226,702
Total expenditure	2,493,572	3,911,054
Loss	633,978	352,635
Retained earnings, beginning of period		
As previously reported	1,719,705	1,942,140
Adjustment of prior year's land sales revenue (Note 11)	(130,200)	—
As restated	1,589,505	1,942,140
Retained earnings, end of period	$ 955,527	$1,589,505

See accompanying notes

STATEMENT 3

ST. JOHN'S HOUSING CORPORATION

Statement of Changes in Financial Position
For the seven months ended 31 October 1981
(with comparative figures for the twelve months ended 31 March 1981)

	31 October 1981	31 March 1981
Source of funds		
Reduction in long-term receivables	$ 84,028	$161,363
Proceeds from long-term debt	27,717	213,447
Proceeds from sale of options on land leased to businesses	—	11,000
	111,745	385,810
Application of funds		
Applied to operations		
Loss	633,978	352,635
Depreciation	(161,512)	(283,962)
	472,466	68,673
Additions to fixed assets	43,210	259,049
Reduction of long-term debt	10,551	16,828
Decrease in deferred subsidy income	16,800	27,840
	543,027	372,390
Increase (decrease) in working capital deficiency	431,282	(13,420)
Working capital deficiency, beginning of period		
As previously reported	419,653	563,273
Adjustment of prior year's land sales revenue	130,200	—
As restated	549,853	563,273
Working capital deficiency, end of period	$981,135	$549,853

See accompanying notes

ST. JOHN'S HOUSING CORPORATION

Notes to Financial Statements
31 October 1981

1. **Accounting policies**

(a) **Depreciation**

Depreciation is calculated on the declining balance method at rates indicated in Note 5.

(b) **Land costs**

Except for the amounts of $36,798 and $71,860 which represent the cost of land on which the Pleasantville apartments and the Elizabeth Towers building are situated, the cost of land upon which rented properties are situated is not recorded in the accounts.

(c) **Estimated development costs**

The Corporation estimates and recognizes full liability for costs in completion of land development projects in the year in which they commence, even though there may be no contractual liability of cost incurred.

2. **Accounts receivable**

	31 October 1981	31 March 1981
Land sales	$179,897	$409,213
Instalments on long-term receivables	5,648	4,329
Rentals	126,217	29,631
Accrued interest	25,080	35,711
Sundry	165	165
	337,007	479,049
Less: Allowance for doubtful accounts	18,911	14,982
	$318,096	$464,067

3. **Long-term receivables**

	31 October 1981	31 March 1981
(a) House mortgages receivable at interest rates varying from 4 1/2% to 5% maturing at various dates to 1990	$ 79,520	$ 93,639
(b) Land mortgages receivable at interest rates varying from 5% to 6% maturing at various dates to 1991	177,440	185,608
(c) Canada Mortgage and Housing Corporation rental subsidy receivable on apartments located at Pleasantville, St. John's, Newfoundland	467,040	541,680
	724,000	820,927
Less: Current portion	145,320	158,219
	$578,680	$662,708

4. Assets held in trust

Funds held by the Corporation totalling $8,792 at year end represent the balance of amounts paid by mortgagees to be used solely for the repair and maintenance of mortgaged houses.

5. Property and equipment

	31 October 1981				31 March 1981
	Rate	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land		$ 108,659	$ —	$ 108,659	$ 108,659
Buildings	2%	16,577,986	3,740,895	12,837,091	12,945,416
Parking lots and driveways	10%	192,711	106,055	86,656	92,024
Machinery, furniture and equipment	20%	245,607	210,716	34,891	39,501
		$17,124,963	$4,057,666	$13,067,297	$13,185,600

6. Land leased to businesses

The recorded value of land leased to businesses is comprised of two amounts.

	31 October 1981	31 March 1981
The historical value of leases signed at varying times between 1947-1966	$ 918,530	$ 918,530
Amounts outstanding under option agreements to purchase the land	344,638	344,638
	$1,263,168	$1,263,168

The original cost of the leased land was charged to expenditure.

7. Payables and accruals

	31 October 1981	31 March 1981
Trade	$ 138,472	$ 181,435
Accrued interest	455,399	115,056
Holdbacks	287,158	142,582
	$ 881,029	$ 439,073

8. Long-term debt

	31 October 1981	31 March 1981
(a) Government of Newfoundland and Labrador - 14% loan with no specific terms of repayment	$ 4,000,000	$ 4,000,000
(b) Government of Newfoundland and Labrador - interest-free loan with no specific terms of repayment	1,290,000	1,290,000
(c) Canadian Imperial Bank of Commerce - loan at an interest rate of prime plus 3/4% with no specific terms of repayment. The loan is secured by a first mortgage on freehold land and building situated at Elizabeth Towers in the City of St. John's	2,448,960	2,448,960

(d) Canada Mortgage and Housing Corporation - 11 3/4% mortgage with payments, as yet to be specified, to commence 1 July 1987. The loan is secured by land situated on Veteran's Road at Pleasantville in the City of St. John's	316,800	316,800
(e) Canada Mortgage and Housing Corporation - 11 3/4% mortgage with payments, as yet to be specified, to commence 1 October 1987. The loan is secured by land situated on Charter Avenue at Pleasantville in the City of St. John's	528,000	528,000
(f) Kinross Mortgage Corporation - 11 1/2% mortgage repayable in monthly principal and interest instalments of $10,562. The term of the mortgage is 5 years with an amortization period of 35 years expiring 2011. The mortgage is secured by apartment buildings located at Pleasantville in the City of St. John's	1,089,554	1,091,995
(g) Kinross Mortgage Corporation - 11 3/4% mortgage repayable in monthly principal and interest instalments of $10,938. The term of the mortgage is 5 years with an amortization period of 35 years expiring 2012. The mortgage is secured by apartment buildings located at Pleasantville in the City of St. John's	1,109,308	1,111,564
(h) Kinross Mortgage Corporation - 11 3/4% mortgage repayable in monthly principal and interest instalments of $18,163. The term of the mortgage is 5 years with an amortization period of 35 years expiring 2012. The mortgage is secured by apartment buildings located at Pleasantville in the City of St. John's	1,831,394	1,835,819
(i) Canadian Imperial Bank of Commerce - equipment loan with interest in year one at prime increasing to prime plus 1/4% for the next two. The Corporation has the option at the end of three years to convert to a term loan with interest at prime plus 1/2% repayable in at least equal annual instalments over four years	241,163	213,447
	12,855,179	12,836,585
Less: Current portion	17,096	15,667
	$12,838,083	$12,820,918

9. Deferred subsidy income

	31 October 1981	31 March 1981
Canada Mortgage and Housing Corporation assisted rental subsidy program for apartments at Pleasantville in the City of St. John's. The total of this subsidy was $345,600 to be received over a 15 year period ending 1991. To 31 October 1981, $181,920 had been received under the program	163,680	182,160
Less: Current portion	29,280	30,960
	$ 134,400	$ 151,200

10. Subsequent events

By Order in Council #735-81 made 21 October 1981, the integration of Newfoundland and Labrador Housing Corporation and the St. John's Housing Corporation came into force on 1 November 1981.

11. Adjustment of prior year's land sales

The adjustment of prior year's land sales revenue in the amount of $130,200 consists of two items. $24,600 represents an adjustment of the purchase price of land, sold in the previous year, due to a change in actual acreage sold as determined by a survey. $105,600 represents the cancellation of a sale that was recorded at the end of the previous year even though the sale was not completed at that time. The land inventory was not adjusted at the time the sale was recorded.

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders
Technical College Building
Corporation Limited
St. John's, Newfoundland

I have examined the balance sheet of the Technical College Building Corporation Limited as at 31 March 1981 and the statement of income and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the corporation as at 31 March 1981 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
17 August 1982

TECHNICAL COLLEGE BUILDING

Balance
31 March

	1981	1980
ASSETS		
Current assets:		
Accounts receivable	$ 4,351	$ 2,561
Accrued rent	150,000	150,000
Prepaid expenses	4,004	3,985
	158,355	156,546
Fixed assets, at cost: (Note 4)		
Land	56,847	56,847
Buildings	7,073,331	7,073,331
Equipment	2,008,006	2,008,006
	9,138,184	9,138,184
Less: Government grant in aid of construction	3,135,520	3,135,520
	6,002,664	6,002,664
Intangible assets:		
Organization expenses	336	336
Sinking fund assets held by trustee:		
Cash	—	16,944
Investments, at cost (Note 2)	5,249,203	4,597,300
Accrued interest on investments	80,779	71,169
	5,329,982	4,685,413
Total assets	$11,491,337	$10,844,959

STATEMENT 1

CORPORATION LIMITED

Sheet
1981

		1981	1980

LIABILITIES

		1981	1980
Current liabilities:			
Accured interest on bonds		$ 150,000	$ 150,000
Deferred revenue - per contra		4,004	3,985
		154,004	153,985
Long-term debt: (Note 4)			
6% First Mortgage Sinking Fund Bonds, dated 1 November 1962, maturing 1 May 1988		6,000,000	6,000,000
Total liabilities		6,154,004	6,153,985

SHAREHOLDERS' EQUITY

		1981	1980
Share capital:			
Authorized:			
100 common shares of par value of $1,000 each	$100,000		
Issued and fully paid:			
3 shares		3,000	3,000
Retained earnings		4,351	2,561
Sinking fund balance		5,329,982	4,685,413
Total shareholders' equity		5,337,333	4,690,974
Total liabilities and shareholders' equity		$11,491,337	$10,844,959

See accompanying notes

Signed on behalf of the Board of Directors

D.G. NORRIS
Director

GILBERT G. GILL
Director

STATEMENT 2

TECHNICAL COLLEGE BUILDING CORPORATION LIMITED

Statement of Income and Retained Earnings
For the year ended 31 March 1981

	1981	1980
REVENUE		
Province of Newfoundland		
Rental of College of Trades and Technology	$533,921	$534,652
Interest income	1,790	1,650
	535,711	536,302
EXPENDITURE		
Debt charges:		
Payments to trustee for bondholders on account of principal and interest on First Mortgage Bonds		
Principal	150,000	150,000
Interest	360,000	360,000
	510,000	510,000
Trustee's fees and sundry	7,926	7,528
Fire insurance premiums	15,995	17,124
	533,921	534,652
Net income	1,790	1,650
Retained earnings, beginning of year	2,561	911
Retained earnings, end of year	$ 4,351	$ 2,561

See accompanying notes

TECHNICAL COLLEGE BUILDING CORPORATION LIMITED

Notes to Financial Statements
For the year ended 31 March 1981

1. **Accounting policies**

(a) **Fixed assets**

Fixed assets are not being depreciated, but payments of principal and interest on long-term debt are expensed in the financial statements. Also certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholders and which were paid for by the Lessee, are not included in these accounts.

(b) **Interest income**

All payments on account of principal and interest on the First Mortgage Bonds are paid into a Debt Service Fund. The interest on the Fund is recorded as interest income and is periodically paid to the Province as a distribution of retained earnings.

(c) **Rental revenue**

The rental revenue received from the Province is equal to the annual amount required to be paid on account of principal and interest and other expenses. Thus, accrued rent and deferred revenue equal accrued interest on bonds and prepaid expenses of the corporation.

2. **Sinking fund investments**

Investments held at 31 March 1981 were:

	Principal Amount	Market Value	Cost
Province of Newfoundland - various issues maturing October 1980 to September 1994	$1,639,000	$1,114,495	$1,511,869
Newfoundland and Labrador Power Commission debentures maturing April 1992 and March 1999	264,000	174,911	251,214
Montreal Trust Company deposit receipts	2,370,720	2,370,720	2,370,720
Technical College Building Corporation Limited - 6% first mortgage sinking fund bonds maturing 1 May 1988	1,500,000	946,905	1,115,400
	$5,773,720	$4,607,031	$5,249,203

3. During each of the ensuing five years principal and interest payments of $150,000 and $360,000 respectively will be required by the sinking fund to retire the 6% first mortgage sinking fund bonds.

4. The fixed assets have been pledged as security for the long-term debt.

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AUDITORS' REPORT

To the Clerk of the Executive Council

We have examined the balance sheet of the Workers' Compensation Board of Newfoundland and Labrador as at December 31, 1981 and the provisional statement of revenue, expenditure and operating reserve and statement of changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Board as at December 31, 1981 and the results of its operations and the changes in its financial position for the year then ended in accordance with generaly accepted accounting principles applied on a basis consistent with that of the preceding year.

Doane Raymond
Chartered Accountants

St. John's Newfoundland
March 15, 1982

THE WORKERS' COMPENSATION BOARD

Balance
December 31,

	1981	1980
ASSETS		
Current		
Cash	$ 1,145,438	$ —
Temporary investments, at cost	2,850,000	5,226,436
Receivables		
Assessments	3,417,535	642,165
Interest	947,440	969,696
Self-insurers	11,530	104,972
Other	5,854	27,189
	8,377,797	6,970,458
Long term investments, at book value (Exhibit 5)	47,205,700	44,342,731
Land, building, furniture and fixtures (Note 2)	3,695,323	3,789,332
	$59,278,820	$55,102,521

Commitment (Note 3)

EXHIBIT 1

OF NEWFOUNDLAND AND LABRADOR

Sheet
1981

	1981	1980
LIABILITIES		
Current		
Bank indebtedness	$	$ 108,828
Payables		
Occupational health and safety	279,260	195,701
Trade	72,466	63,660
Due to employers	263,805	91,816
	615,531	460,005
Estimated liability for continuing claims	12,712,236	10,552,296
Liability for pension awards	32,110,225	28,434,180
	45,437,992	39,446,481
RESERVES		
Disaster	2,044,749	1,462,410
Enhanced disabilities	275,379	160,425
Recapitalization	6,745,204	6,328,753
	9,065,332	7,951,588
Provisional operating reserve (Exhibit 2)	4,775,496	7,704,452
	13,840,828	15,656,040
	$59,278,820	$55,102,521

On behalf of the Board

ED MAYNARD
Chairman

A.G. ROSE
Commissioner

THE WORKERS' COMPENSATION BOARD

Provisional Statement of Revenue, Expenditure

Year ended

	1981 Total	1980 Total	Class 1 Mining
Revenue			
Assessments	$19,916,962	$13,785,792	$2,634,742
Interest on investments	1,917,454	1,766,690	205,868
Self-insurers	310,012	277,261	—
	22,144,428	15,829,743	2,840,610
Expenditures			
Claims			
Compensation	5,000,073	3,629,987	293,075
Medical aid	1,170,931	843,233	123,286
Rehabilitation	294,880	178,099	46,084
Estimated liability for continuing claims for 1981	6,909,621	5,397,316	527,225
Transfer to reserves			
Pension awards	474,283	605,797	46,982
Recapitalization	1,991,696	1,378,579	263,474
Disaster	1,991,696	1,378,579	263,474
Enhanced disabilities	199,169	206,787	26,347
Administrative	2,149,444	1,797,537	223,628
Occupational Health and Safety (Note 4)	2,141,019	893,617	692,374
	22,322,812	16,309,531	2,505,949
Excess of expenditure over revenue	(178,384)	(479,788)	334,661
Provisional operating reserve, beginning of year (Exhibit 6)	5,838,493	8,581,641	640,325
Less: Allowance for doubtful accounts	(884,613)	(397,401)	(427,000)
Provisional operating reserve, end of year	$ 4,775,496	$ 7,704,452	$ 547,986

EXHIBIT 2

OF NEWFOUNDLAND AND LABRADOR

and Operating Reserve by Classes
December 31, 1981

Class 2 Forest Products	Class 3 Manufacturing	Class 4 Construction	Class 5 Transportation	Class 6 Disruption & Service	Class 7 Fishing	Class 9 Self-Insurers
$2,395,713	$2,023,407	$3,269,064	$1,523,535	$3,499,731	$4,570,770	$ —
206,083	211,041	703,368	176,282	165,325	249,487	—
—	—	—	—	—	—	310,012
2,601,796	2,234,448	3,972,432	1,699,817	3,665,056	4,820,257	310,012
394,606	539,588	1,220,130	257,413	778,735	1,299,661	216,865
120,238	116,529	268,156	44,705	178,904	225,966	93,147
31,096	26,774	99,436	52,517	36,180	2,793	—
565,690	798,486	1,729,290	321,049	1,033,295	1,934,586	—
—	74,473	102,085	—	—	250,743	—
239,571	202,341	326,906	152,354	349,973	457,077	—
239,571	202,341	326,906	152,354	349,973	457,077	—
23,957	20,234	32,691	15,235	34,997	45,708	—
273,711	230,515	379,279	173,052	395,969	475,290	—
204,968	173,115	279,688	130,347	299,423	361,104	—
2,093,408	2,384,396	4,764,567	1,299,026	3,455,449	5,510,005	310,012
508,388	(149,948)	(792,135)	400,791	209,607	(689,748)	—
941,085	526,352	2,982,139	765,745	(529,009)	511,856	—
(152,843)	(59,390)	(144,617)	(48,731)	(22,294)	(29,738)	—
$1,296,630	$ 317,014	$2,045,387	$1,117,805	$ (341,696)	$ (207,630)	$ —

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EXHIBIT 5

THE WORKERS' COMPENSATION BOARD OF NEWFOUNDLAND AND LABRADOR

Schedule of Administrative Expenses

Year ended December 31, 1981

	1981	1980
Salaries and benefits - Board and staff	$ 1,416,397	$ 1,298,087
Computer services	182,841	178,440
Building operation and maintenance	161,021	89,544
Telephone, postage, and general office	137,428	106,086
Printing and supplies	108,380	97,357
Depreciation	104,839	104,839
Professional services	80,116	41,678
Review committee	79,620	6,491
Travelling - Board and staff	71,329	73,419
Equipment	32,931	68,568
Miscellaneous	47,573	32,207
Vehicle operating	26,559	12,008
Medical and X-rays	2,620	3,321
	2,471,854	2,112,045
Deduct:		
Rental income	197,001	197,001
	2,274,853	1,915,044

Administration expenses charged to self-insurers as follows:			
Canadian National Railways	$ 37,095		
Government of Newfoundland	36,247		
Canadian National Marine	27,342		
Government of Canada	22,352		
Quebec North Shore and Labrador Railway	1,670		
Memorial University of Newfoundland	703	125,409	117,507
		$ 2,149,444	$ 1,797,537

THE WORKERS' COMPENSATION BOARD

Statement of Amounts

Year ended

	Outstanding Claims	Pension Awards
Balance, at beginning of year	$ 10,552,296	$ 28,434,180
Additions:		
Transfers to reserves	2,159,940	5,124,618
Interest earnings	—	2,889,302
	12,712,236	36,448,100
Deductions:		
Benefits paid or charged with respect to claims	—	4,337,875
Balance, at end of year	$12,712,236	$ 32,110,225

EXHIBIT 4

OF NEWFOUNDLAND AND LABRADOR

held at Credit of Reserves
December 31, 1981

Disaster	Enhanced Disabilities	Recapitalization	Totals
$1,462,410	$ 160,425	$ 6,328,753	$ 46,938,064
2,068,670	209,987	2,185,864	11,749,079
153,593	16,849	664,691	3,724,435
3,684,673	387,261	9,179,308	62,411,578
1,639,924	111,882	2,434,104	8,523,785
$2,044,749	$275,379	$6,745,204	$53,887,793

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EXHIBIT 5

THE WORKERS' COMPENSATION BOARD OF NEWFOUNDLAND AND LABRADOR

Schedule of Long-Term Investments
As at December 31, 1981

	Par Value	Book Value
Newfoundland and Labrador Hydro	$ 19,315,000	$ 19,683,708
Province of Newfoundland and Labrador	15,977,000	16,134,315
City of St. John's	3,551,000	3,623,730
Government of Canada	2,045,000	2,011,476
Newfoundland Light and Power Company Limited	1,900,000	1,901,840
Newfoundland Telephone Company Limited	1,479,000	1,405,899
Central Trust Company	500,000	500,000
Roymor - Royal Bank	500,000	500,000
Nova Scotia Municipal Authority	357,000	354,117
Ontario Hydro	345,000	345,652
Grace Hospital Extension Corporation	300,000	290,971
Other	492,000	453,992
	$ 46,761,000-	$ 47,205,700

THE WORKERS' COMPENSATION BOARD

Provisional Statement of Revenue and Expenditures as at December 31, 1981,

Group and Class	REVENUE		
	Assessments	Interest	Total
Group 1	$ 1,003,323		
Group 2	687,742		
Group 3	—		
CLASS 1	1,691,065	$ 192,836	$ 1,883,901
Group 2	230,964		
Group 3	1,512,287		
Group 4	413,292		
CLASS 2	2,156,543	166,388	2,322,931
Group 1	576,168		
Group 2	692,647		
Group 3	387,898		
Group 4	51,904		
CLASS 3	1,708,617	195,806	1,904,423
Group 1	614,337		
Group 2	621,699		
Group 3	1,220,687		
Group 4	159,327		
Group 9	13,500		
CLASS 4	2,629,550	700,185	3,329,735
Group 1	220,051		
Group 2	294,754		
Group 3	88,974		
Group 4	472,005		
Group 5	323,721		
CLASS 5	1,399,503	152,172	1,551,675
Group 1	1,793,291		
Group 2	503,073		
Group 3	53,123		
Group 4	125,358		
CLASS 6	2,474,845	156,806	2,631,651
Group 1	1,612,306		
Group 2	659,515		
Group 3	103,448		
Group 4	71,521		
CLASS 7	2,446,790	202,497	2,649,287
CLASS 9	818,028		818,028
Totals	$15,324,941	$1,766,690	$17,091,631

EXHIBIT 6

OF NEWFOUNDLAND AND LABRADOR

by Classes and Groups
In respect of 1980 and prior years

EXPENDITURES						
Compensation & Medical Aid	All Other Outlays	Total	Balances 1980	Provisional Operating Reserve Jan. 1, 1980	Add (Deduct) Adjustments Re Estimated Outstanding Claims	Provisional Operating Reserve Carried to Exhibit 2
$ 774,846						
410,856						
50						
1,185,752	$ 715,333	$ 1,901,085	$ (17,184)	$ 630,697	$ 26,812	$ 640,325
220,915						
747,115						
159,383						
1,127,413	902,146	2,029,559	293,372	579,128	68,585	941,085
574,054						
490,856						
303,788						
12,977						
1,381,675	711,574	2,093,249	(188,826)	768,871	(53,693)	526,352
851,102						
729,808						
1,621,503						
193,379						
3,089						
3,398,881	1,123,226	4,522,107	(1,192,372)	4,082,633	91,878	2,982,139
136,221						
237,618						
4,866						
457,547						
171,198						
1,007,450	569,001	1,576,451	(24,776)	871,884	(81,363)	765,745
1,626,606						
395,431						
47,651						
116,420						
2,186,108	995,429	3,181,537	(549,886)	396,733	(375,856)	(529,009)
1,450,938						
446,389						
47,730						
148,539						
2,093,596	971,532	3,065,128	(415,841)	1,251,695	(323,998)	511,856
818,028		818,028				
$13,198,903	$5,988,241	$19,187,144	$(2,095,513)	$ 8,581,641	$(647,635)	$ 5,838,493

EXHIBIT 7

THE WORKERS' COMPENSATION BOARD OF NEWFOUNDLAND AND LABRADOR

Statement of Changes in Financial Position
Year ended December 31, 1981

	1981	1980
Working capital derived from		
Sale and maturities of investments	$ 30,900	$ 333,016
Increase in reserves	15,473,514	12,970,158
	15,504,414	13,303,174
Working capital applied to		
Operations		
Excess of expenditure over revenue	178,384	479,788
Depreciation of		
Building	(98,509)	(98,509)
Furniture and fixtures	(6,330)	(6,330)
Amortization of premiums on investments	(7,318)	(30,510)
	66,227	344,439
Purchase of		
Land	10,830	
Building		30,999
Investments	2,901,187	3,209,543
Payments of claims	8,523,785	7,581,662
	11,502,029	11,166,643
Increase in working capital	4,002,385	2,13[illegible],531
Working capital, beginning of year	6,510,453	5,863,928
Less: Decrease in opening operating reserve	(1,865,959)	(1,092,605)
Allowance for doubtful accounts	(884,613)	(397,401)
	3,759,881	4,373,922
Working capital, end of year	$ 7,762,266	$ 6,510,453

EXHIBIT 8

THE WORKERS' COMPENSATION BOARD OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements
December 31, 1981

1. Accounting policies

(a) Uncollectible Assessment Balances
Whereas an allowance for uncollectible assessments has been set up at year end it is the practice of the Board to write off uncollectible balances against assessment revenue.

(b) Investments
A gain or loss on an exchange of investments is deducted or added to the cost of the new investment acquired and amortized to its maturity or call date.

(c) Investment Income
Interest earnings are allocated on the basis of 9 1/2% to the pension fund and the balance prorated to reserves and classes.

(d) Capital Expenditures
The Board follows a policy of charging to expense the costs of normal capital expenditures in the year of acquisition. Capital expenditures acquired in excess of normal requirements are amortized over the anticipated useful life of the assets and in this category are:

	Annual rate
Building	2 1/2%
Furniture and fixtures	10%

(e) Estimated Liability for Continuing Claims
The current year's estimated liability is based on 100% of 1981 compensation costs, 150% of 1981 medical aid costs and 125% of 1981 pension awards. The prior years' estimated liability is based on 13% of the total compensation, medical aid and pension awards for the previous five years.
In 1980, the current year's estimate was based on 115% of 1980 compensation, medical aid and pension awards. The prior years' estimate in 1980 was calculated as 6.5% of the total compensation, medical aid and pension awards for the previous fifteen years.
The rate adjustments in 1981 are designed to more properly reflect actual historical experience and the effects on inflation.

(f) Transfers to Reserves
Transfers to reserves for Disaster, Enhanced Disabilities and Recapitalization are calculated as a percentage of annual assessment revenue as follows:

	1981	1980
Disaster	10%	10%
Enhanced Disabilities	1%	1 1/2%
Recapitalization	10%	10%

2. Land, building, furniture and fixtures

		1981		1980
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	$ 10,830	$	$ 10,830	$
Building	3,940,354	294,752	3,645,602	3,744,111
Furniture and fixtures	63,300	24,409	38,891	45,221
	$4,014,484	$ 319,161	$3,695,323	$3,789,332

3. Commitment
The Board owes $250,000 on a $500,000 commitment to the General Hospital Corporation for construction on the 5th floor of the Health Sciences Centre in St. John's. For this commitment the Board receives priority access to 8 beds over a 20 year period.

4. Occupational Health and Safety
Expenditures in 1981 include an amount of $1,187,000, representing payments of costs incurred by the Occupational Health and Safety Division of the Department of Labour and Manpower on the Labrador Dust Study.

5. Subsequent event
On February 15, 1982, a major ocean disaster occurred with the sinking of the drill ship, Ocean Ranger, and the consequent loss of eighty-four (84) lives.
The Board has a potential liability to families of the victims covered with the Board should claims be filed in this regard.
To the date of the auditors' report, no claims have been filed and consequently an estimate of the Boards' liability cannot be calculated.

Number/
Numéro

3

PROVINCE OF NEWFOUNDLAND

ACCOUNTS OF

CROWN CORPORATIONS

BOARDS

AND

AUTHORITIES

1982

PRINTED UNDER AUTHORITY OF THE TREASURY BOARD
ST. JOHN'S, NEWFOUNDLAND

PRINTED BY ROBINSON-BLACKMORE PRINTING AND PUBLISHING LIMITED

GOVERNMENT OF NEWFOUNDLAND AND LABRADOR

Department of Finance

July, 1983

The Honourable W. Anthony Paddon
Lieutenant-Governor of the Province of Newfoundland.

Sir,

I have the honour to present the Accounts of Crown Corporations, Boards and Authorities for the fiscal year 1982.

Respectfully submitted,

Your Honour's obedient servant,

JOHN F. COLLINS, F.R.C.P.(E.)
Minister of Finance.

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Note

The financial statements of the following agencies were not available in time for inclusion in this volume:

Corner Brook Hospital Buildings Corporation Limited
Motor Vehicle Accident Security Account
Newfoundland Crop Insurance Agency
Newfoundland Liquor Licensing Board
Northern Hospitals Building Corporation Limited
Pepperrell Hospital Reconstruction Corporation Limited
Technical College Building Corporation Limited

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

The Board of Governors of the
Bay St. George Community College
Stephenville, Newfoundland

I have examined the balance sheet of the Board of Governors of the Bay St. George Community College as at 31 March 1982 and the statements of revenue, expenditure and surplus and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at 31 March 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

St. John's, Newfoundland
4 August 1982

J.F. McGRATH, C.A.
Auditor General

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BOARD OF GOVERNORS
THE BAY ST. GEORGE COMMUNITY COLLEGE

Index to Financial Statements
31 March 1982

Balance Sheet	**Statement 1**
Statement of Revenue, Expenditure and Surplus	**" 2**
Statement of Changes in Financial Position	**" 3**

BOARD OF
THE BAY ST. GEORGE

Balance
31 March

	1982	1981
Assets		
Current assets:		
Cash	$ 9,394	$ 227,361
Term deposit	100,000	—
Student scholarship trust fund	3,765	3,194
Accounts receivable:		
Trade	26,370	83,962
Department of Education	—	259,354
	26,370	343,316
Less: Allowance for doubtful accounts	1,195	985
	25,175	342,331
Inventory - at cost:		
Textbooks	37,807	27,683
Cafeteria	10,558	14,893
Handcraft supplies	9,405	11,426
Free issue clothing	1,398	764
Safety supplies	—	355
	59,168	55,121
Total current assets	197,502	628,007
Fixed assets - at cost: (Note 3)		
Heavy equipment and motor vehicles	1,829,218	1,821,383
Other equipment, furniture and fixtures	1,068,528	823,676
Total fixed assets	2,897,746	2,645,059
Less: Provincial Government grants	2,623,796	2,442,234
Assets expensed in year of acquisition	273,950	202,825
	2,897,746	2,645,059
	—	—
Total assets	$ 197,502	$ 628,007

STATEMENT 1

GOVERNORS COMMUNITY COLLEGE

Sheet
1982

	1982	1981
Liabilities and Surplus		
Current liabilities:		
Accounts payable	$ 39,678	$ 17,661
Accrued liabilities	106,853	397,560
Mineral technology fund	1,250	—
Student scholarship trust fund	3,765	3,194
Total current liabilities	151,546	418,415
Surplus - Statement 2	45,956	209,592
Total liabilities and surplus	$ 197,502	$ 628,007

See accompanying notes

Signed on behalf of the Board of Governors

ANNE POWER (Vice-Chairman)
Chairman of the Board of Board of Governors

DON TAYLOR
President

BOARD OF
THE BAY ST. GEORGE

Balance
31 March

	1982	1981
Assets		
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	—	—
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STATEMENT 1

GOVERNORS
COMMUNITY COLLEGE

Sheet
1982

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Liabilities and Surplus		
Current liabilities:		
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Accrued liabilities	106,853	397,560
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Total liabilities and surplus	$ 197,502	$ 628,007

See accompanying notes

Signed on behalf of the Board of Governors

ANNE POWER (Vice-Chairman)
Chairman of the Board of Board of Governors

DON TAYLOR
President

BOARD OF
THE BAY ST. GEORGE

Statement of Revenue
For the year ended

	1982	1981
Revenue		
Grants-in-aid:		
Province of Newfoundland:		
Manpower training allowance	$1,470,040	$2,210,000
Operating allowance	2,400,000	1,304,951
	3,870,040	3,514,951
Student fees:		
Tuition fees - community programs	33,223	33,208
Course fees	30,316	50,617
Shop and laboratory fees - day	2,942	1,510
Tuition fees - non residents	250	498
Miscellaneous course fee	5,907	—
	72,638	85,833
Sales and services:		
Cafeteria sales	90,876	95,385
Student residence fees	77,193	66,614
Bookstore sales	16,089	13,634
Bus ticket sales	3,790	—
Safety supply sales	534	1,053
	188,482	176,686
Other:		
Interest	103,241	69,250
Gain on sale of fixed assets	7,470	4,357
Miscellaneous	2,727	6,085
Commissions	721	542
	114,159	80,234
Total revenue	4,245,319	3,857,704

STATEMENT 2

GOVERNORS COMMUNITY COLLEGE

Expenditure and Surplus
31 March 1982

Expenditure and Surplus

	1982	1981
Instructional:		
Salaries	$2,358,498	$2,055,367
Supplies	154,281	133,718
Vehicle	115,312	142,927
Student allowances	89,491	71,911
Cafeteria purchases	—	30,152
Manpower student textbooks	20,129	13,365
Travel	12,813	16,570
Equipment rentals, repairs and maintenance	10,596	16,067
Manpower student union fees and insurance	9,607	11,272
Building rental	8,723	24,935
Laundry	2,280	3,713
Freight	2,206	1,010
Miscellaneous	2,147	41
Small tool purchases	—	3,834
Total instructional	2,786,083	2,524,882
Administrative and others:		
Salaries	1,199,201	1,030,285
Vehicle	89,369	12,279
Assets expensed in year of acquisition	71,125	31,010
Office supplies	62,245	36,646
Cafeteria purchases	73,952	70,352
Telephone	39,323	—
Travel	19,718	13,430
Equipment rentals, repairs and maintenance	14,673	17,167
Photocopies	14,243	—
Advertising	10,446	8
Bookstore purchases	9,340	15,433
Student residence - laundry	7,343	6,726
Library purchases	5,883	5,732
Miscellaneous	2,284	566
Interest	1,849	1,102
Insurance	1,085	225
Building rental	428	—
Provision for doubtful accounts	210	131
Utility services	155	2,824
Small tool purchases	—	4,932
Total administrative and other	1,622,872	1,248,848
Total expenditure	4,408,955	3,773,730
Excess of revenue over expenditure	(163,636)	83,974
Surplus		
Beginning of year (Note 2)	209,592	125,618
End of year	$ 45,956	$209,592

See accompanying notes

STATEMENT 3

BOARD OF GOVERNORS
THE BAY ST. GEORGE COMMUNITY COLLEGE
Statement of Changes in Financial Position
For the year ended 31 March 1982

	1982	1981
Source of funds		
From operations—		
Excess of revenue over expenditure	$(163,636)	$ 83,974
Add: Fixed assets expensed in year of acquisition	71,125	31,010
	(92,511)	114,984
Less: Gain on sale of fixed assets	7,470	4,357
	(99,981)	110,627
Capital contributions by Province of Newfoundland	200,000	100,000
Proceeds from sale of fixed assets	7,470	4,357
	107,489	214,984
Application of funds		
Additions to fixed assets	271,125	131,010
Increase (decrease) in working capital	(163,636)	83,974
Working capital, beginning of year	209,592	125,618
Working capital, end of year	$ 45,956	$209,592

See accompanying notes

BOARD OF GOVERNORS
THE BAY ST. GEORGE COMMUNITY COLLEGE

Notes to Financial Statements
For the year ended 31 March 1982

1. **Accounting policy**
Most fixed asset acquisitions are financed by Province of Newfoundland capital grants which are deducted in total from the fixed assets on the balance sheet. The balance of the fixed assets are financed through current account funds and are charged to operations in the year of acquisition.

2. The College commenced operations as a separate entity on 1 April 1979. The assets on hand at that date were contributed by the Province of Newfoundland and were as follows:

Inventory:	
Textbooks	$27,906
Cafeteria	25,000
Handcraft supplies	11,582
Safety supplies	4,561
	$69,049

Fixed assets:	
Heavy equipment and motor vehicles	$1,886,747
Other equipment, furniture and fixtures	705,482
	$2,592,229

Title to these assets has not been formally transferred to the College.

3. In accordance with Section 5 of the Bay St. George Community College Act, 1977, C19, the land and buildings presently being used by the College are the property of the Province of Newfoundland. Expenditures for repairs and maintenance to these buildings, paid for by the Province, have not been recorded in the financial statements of the College for the year ended 31 March 1982. The total of these expenditures could not be made available by the Province. If these figures had been available, both the revenue and expenditure of the College would have increased by those amounts.

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders
Bell Island Hospital Building
Corporation Limited
St. John's, Newfoundland

I have examined the balance sheet of Bell Island Hospital Building Corporation Limited as at 31 March 1981 and the statement of income and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at 31 March 1981 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
24 February 1983

BELL ISLAND HOSPITAL

Balance
31 March

	1981	1980
Assets		
Current assets:		
Cash	$ 745	$ 344
Accrued rent	2,500	2,500
Prepaid expenses	815	712
	4,060	3,556
Fixed assets, at cost (Note 4)		
Land	3,000	3,000
Buildings	1,353,349	1,353,349
	1,356,349	1,356,349
Less: Government grant in aid of construction	122,139	122,139
	1,234,210	1,234,210
Intangible assets		
Organization expense	266	266
Sinking fund assets held by trustee		
Cash	—	2,824
Investments at cost (Note 2)	590,954	502,090
Accrued interest receivable	3,694	1,331
	594,648	506,245
Total assets	$1,833,184	$1,744,277

STATEMENT 1

BUILDING CORPORATION LIMITED

Sheet
1981

		1981	1980
Liabilities			
Current liabilities			
Accrued interest on bonds		$ 2,500	$ 2,500
Deferred revenue		815	712
		3,315	3,212
Long-term debt (Note 4)			
First Mortgage Sinking Fund Bonds, 6% Series "B" dated 15 September 1964 maturing 15 September 1989		1,000,000	1,000,000
Total liabilities		1,003,315	1,003,212
Shareholders' Equity			
Share capital			
Authorised			
100 common shares of par value $1,000 each	$100,000		
Issued and fully paid			
3 shares		3,000	3,000
Capital contributions			
Bell Island Hospital Building Fund		111,359	111,359
Repayment of long-term debt by Province of Newfoundland		120,000	120,000
		231,359	231,359
Sinking fund balance		594,648	506,245
Retained earnings		862	461
Total shareholders' equity		829,869	741,065
Total liabilities and shareholders' equity		$1,833,184	$1,744,277

See accompanying notes

Signed on behalf of the Board of Directors

GILBERT G. GILL
Director

PHILIP J. WALL
Director

STATEMENT 2

BELL ISLAND HOSPITAL
BUILDING CORPORATION LIMITED

Statement of Income and Retained Earnings
For the year ended 31 March 1981

	1981	1980
Revenue		
Province of Newfoundland		
Rental of Bell Island Hospital	$ 94,731	$ 95,073
Interest income	401	102
	95,132	95,175
Expenditure		
Debt charges		
Payment to trustee for bondholders on account of principal and interest on First Mortgage Sinking Fund Bonds		
Principal	31,000	31,000
Interest	60,000	60,000
	91,000	91,000
Trustee's fees and sundry	2,437	2,528
Fire insurance	1,294	1,545
	94,731	95,073
Net income	401	102
Retained earnings - beginning of year	461	359
Retained earnings - end of year	$ 862	$ 461

See accompanying notes

BELL ISLAND HOSPITAL BUILDING CORPORATION LIMITED

Notes to Financial Statements
31 March 1981

1. **Accounting policies**

(a) **Fixed assets**

Fixed assets are not being depreciated but payments of principal and interest on long-term debt are expensed in the financial statements.

Certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholders and which were paid for by the Lessee, are not included in these financial statements.

(b) **Interest income**

All payments on account of interest on the First Mortgage Sinking Fund Bonds are paid into a Debt Service Fund. The interest on the Fund is recorded as interest income and is periodically paid to the Province as a distribution of retained earnings.

All payments on account of principal on the First Mortgage Sinking Fund Bonds are paid into the Sinking Fund. Interest earned on Sinking Fund investments is reinvested in the Sinking Fund and thus is not shown as income of the corporation.

(c) **Rental revenue**

The rental revenue received from the Province is equal to the annual amount required to be paid on account of principal and interest and other expenses. Thus, accrued rent and deferred revenue equal accrued interest on bonds and prepaid expenses of the corporation.

(d) **Sinking Fund Investments**

Investments are recorded at cost at the time of purchase. Investments are relieved from the account at average cost upon disposal.

2. **Sinking Fund Investments**

Investments held at 31 March 1981 were:

	Principal Amount	Market Value	Cost
Province of Newfoundland — Various issues maturing September 1980 to May 1992	$ 45,000	$ 35,152	$ 42,638
Guaranteed Investment Certificates	388,368	388,368	388,368
Bell Island Hospital Building Corporation Limited — 6% First Mortgage Sinking Fund bonds maturing 15 September 1989	211,000	125,897	159,948
	$644,368	$549,417	$590,954

3. During each of the ensuing five years principal payments of $31,000 are required to be made to the Sinking Fund.

4. Fixed assets have been pledged as security for the long-term debt.

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders
B.L.C. Building Corporation Limited
St. John's, Newfoundland

I have examined the balance sheet of the B.L.C. Building Corporation Limited as at 31 March 1982 and the statement of income and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at 31 March 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
11 February 1983

B.L.C. BUILDING

Balance
31 March

	1982	1981
Assets		
Current assets:		
Accrued rent	$ 28,657	$ 29,786
Prepaid expenses	966	888
	29,623	30,674
Fixed assets, at cost: (Note 1)		
Land	48,160	48,160
Building, equipment and machinery	3,234,280	3,234,280
	3,282,440	3,282,440
Less: Government grant in aid of construction	7,538	7,538
	3,274,902	3,274,902
Intangible assets		
Organization expense	254	254
Total assets	$3,304,779	$3,305,830

STATEMENT 1

CORPORATION LIMITED

Sheet
1982

		1982	1981
Liabilities			
Current liabilities			
Accrued interest on bonds		$ 28,657	$ 29,786
Deferred revenue - per contra		966	888
Long-term debt due within one year		146,285	138,756
		175,908	169,430
Long-term debt: (Note 2)			
5 5/8% First Mortgage Sinking Fund Bonds, dated 1 January 1966, maturing 1 July 1991		1,637,101	1,783,386
Total liabilities		1,813,009	1,952,816
Shareholders' Equity			
Share capital			
Authorized 100 common shares of par value $1,000 each	$100,000		
Issued and fully paid 3 shares		3,000	3,000
Capital contributions			
Repayment of long-term debt by the Province of Newfoundland		1,486,514	1,347,758
Retained earnings		2,256	2,256
Total shareholders' equity		1,491,770	1,353,014
Total liabilities and shareholders' equity		$3,304,779	$3,305,830

See accompanying notes

Signed on behalf of the Board of Directors

PHILIP J. WALL
Director

GILBERT G. GILL
Director

STATEMENT 2

B.L.C. BUILDING CORPORATION LIMITED

Statement of Income and Retained Earnings
For the year ended 31 March 1982

		1982	1981
Revenue			
Province of Newfoundland			
Rental of B.L.C. Building		$275,390	$268,414
Interest income		858	1,679
		276,248	270,093
Expenditure			
Debt charges			
Payments to trustee for bondholders on account of principal and interest on First Mortgage Bonds			
Principal	$129,000		
Interest	98,719		
	$227,719 U.S.	271,602	264,781
Trustee's fees and sundry		969	969
Fire insurance premium		2,819	2,664
		275,390	268,414
Excess of revenue over expenditure		858	1,679
Retained earnings, beginning of year		2,256	2,256
		3,114	3,935
Amount paid to the Province		858	1,679
Retained earnings, end of year		$ 2,256	$ 2,256

See accompanying notes

B.L.C. BUILDING CORPORATION LIMITED

Notes to Financial Statements
For the year ended 31 March 1982

1. **Accounting policies**

(a) **Fixed assets**

Fixed assets are not being depreciated, but payments of principal and interest on long-term debt are expensed in the financial statements. Certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholders and which were paid for by the Lessee, are not included in these accounts.

(b) **Rental revenue**

The rental revenue received from the Province is equal to the annual amount required to be paid on account of principal and interest, and other expenses. Thus, accrued rent and deferred revenue equal accrued interest on bonds and prepaid expenses of the corporation.

(c) **Interest income**

All payments on account of principal and interest on the First Mortgage Bonds are paid into a Debt Service Fund. The interest on the Fund is recorded as interest income and is periodically paid to the Province as a distribution of surplus.

2. **Long-term debt**

The First Mortgage Sinking Fund Bonds, payable in U.S. dollars, are stated in Canadian dollars at the net realized amount at the time of issue. At 31 March 1982 the Canadian equivalent of the outstanding principal amount of $1,658,000 U.S., translated at current exchange rates, was $2,037,848.

Fixed assets have been pledged as security for the long-term debt.

The payments required in each of the next five years to meet retirement provisions are as follows:

	U.S. Funds
Year ending 31 March 1983	$136,000
1984	144,000
1985	152,000
1986	161,000
1987	170,000

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Board of Governors of the
College of Fisheries, Navigation,
Marine Engineering and Electronics
St. John's, Newfoundland

I have examined the balance sheet of the Board of Governors of the College of Fisheries, Navigation, Marine Engineering and Electronics as at 31 March 1981 and the statements of surplus, revenue and expenditure and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at 31 March 1981 and the results of its operatins and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
6 June 1982

BOARD OF GOVERNORS
COLLEGE OF FISHERIES, NAVIGATION, MARINE ENGINEERING AND ELECTRONICS

Index to Financial Statements
31 March 1981

Balance Sheet Statement 1

Statement of Surplus " 2

Statement of Revenue and Expenditure " 3

Statement of Changes in Financial Position " 4

BOARD OF
COLLEGE OF FISHERIES, NAVIGATION,

Balance
31 March

	1981	1980
Assets		
Current assets		
Cash	$ 240,692	$ 78,693
Accounts receivable	145,582	115,629
Inventories - at cost	58,078	48,053
Prepaid expenses	2,609	—
Total current assets	446,961	242,375
Fixed assets		
Building renovations and alterations - at cost	335,445	335,445
Equipment - at cost	3,011,688	2,780,347
Motor vessel - per appraisal by Captain J.J. Strong, Master Mariner, as of 26 May 1966	200,000	200,000
	3,547,133	3,315,792
	3,994,094	3,558,167
Trust fund —		
Cash and investments	31,246	36,666
Pension fund —		
Cash and investment held by trustee (Note 2)	4,537,246	3,860,459
	$8,562,586	$7,455,292

STATEMENT 1

GOVERNORS
MARINE ENGINEERING AND ELECTRONICS

Sheet
1981

	1981	1980
Liabilities and Surplus		
Current liabilities		
Bank overdrafts	$ —	$ 3,075
Accounts payable	40,424	229,360
Other liabilities	36,297	—
Deferred revenue	29,715	—
Total current liabilities	106,436	232,435
Capital		
Contributed (Note 3)		
Province of Newfoundland	3,374,257	3,174,257
Other	172,876	141,535
	3,547,133	3,315,792
Surplus (Statement 2)	340,525	9,940
	3,994,094	3,558,167
Trust fund - gifts and grants Fund balance	31,246	36,666
Pension fund — Fund balance	4,537,246	3,860,459
	$8,562,586	$7,455,292

See accompanying notes

Signed on behalf of the Board

F. AYLWARD
Chairman

A. BAIRD
Member

STATEMENT 2

BOARD OF GOVERNORS COLLEGE OF FISHERIES, NAVITATION, MARINE ENGINEERING AND ELECTRONICS

Statement of Surplus
For the year ended 31 March 1981

	1981	1980
Balance, beginning of year		
As previously reported	$ 74,091	$109,511
Correction of prior years' errors (Note 3)	(64,151)	(29,926)
As restated	9,940	79,585
Excess of revenue over expenditure	330,585	(69,645)
Balance, end of year	$340,525	$ 9,940

See accompanying notes

STATEMENT 3

BOARD OF GOVERNORS COLLEGE OF FISHERIES, NAVIGATION, MARINE ENGINEERING AND ELECTRONICS

Statement of Revenue and Expenditure For the year ended 31 March 1981

	1981	1980
Revenue		
Province of Newfoundland		
Grant-in-aid	$5,275,000	$4,615,000
Other income	499,815	328,749
	5,774,815	4,943,749
Expenditure		
Administration		
Salaries	619,153	663,831
Fringe benefits	49,928	54,416
Travel	17,691	27,359
Operating supplies	132,878	36,925
Repairs and maintenance	24,479	21,088
Equipment rentals	14,688	11,477
Other business services	66,993	18,327
Insurance	7,337	5,069
Communications	10,139	23,192
	943,286	861,684
Instructional		
Salaries	2,893,984	3,024,118
Fringe benefits	227,449	247,895
Travel	123,337	79,317
Operating supplies	371,060	202,746
Repairs and maintenance	159,102	89,903
Equipment rentals	15,729	13,011
Space rentals	14,818	19,824
Communications	11,100	25,125
Operating expenses - M.V. Beiner	135,915	75,732
	3,952,494	3,777,671
Student services	514,765	325,443
Capital expenditure out of revenue	33,685	48,596
	5,444,230	5,013,394
Excess of revenue over expenditure	$ 330,585	$ (69,645)

See accompanying notes

STATEMENT 4

BOARD OF GOVERNORS
COLLEGE OF FISHERIES, NAVIGATION, MARINE ENGINEERING AND ELECTRONICS

Statement of Changes in Financial Position
For the year ended 31 March 1981

	1981	1980
Source of funds		
From operations —		
Excess of revenue over expenditure	$330,585	$(69,645)
Add: Capital expenditure out of revenue	33,685	48,596
	364,270	(21,049)
Less: Gain on sale of fixed assets	—	14,371
	364,270	(35,420)
Capital contribution by Province of Newfoundland	200,000	100,000
Proceeds from sale of fixed assets	—	14,371
	564,270	78,951
Application of funds		
Additions to fixed assets	233,685	148,596
Increase (decrease) in working capital	330,585	(69,645)
Working capital, beginning of year	9,940	79,585
Working capital, end of year	$340,525	$ 9,940

See accompanying notes

BOARD OF GOVERNORS COLLEGE OF FISHERIES, NAVIGATION, MARINE ENGINEERING AND ELECTRONICS

Notes to Financial Statements
For the year ended 31 March 1981

1. Accounting policies

   (a) Fixed assets of the College are not depreciated.

   (b) In accordance with Section 6 of the College of Fisheries Act, the land and buildings occupied by the College are the property of the Province of Newfoundland. The amounts shown represent costs incurred by the College of Fisheries only.

2. Pension fund

   (a) As determined by actuarial consultants, the unfunded liability of the College of Fisheries, Navigation, Marine Engineering and Electronics Pension Fund as at 31 December 1974 amounted to $1,074,500 on the no-inflation basis. This unfunded liability was being amortized over a thirty year period beginning in 1975, at an annual payment of $61,000. However, such amortization payments were discontinued in the fiscal year ended 31 March 1979.

   (b) Under The Public Service (Pensions) (College of Fisheries, Navigation, Marine Engineering and Electronics) Regulations, 1980, dated 9 September 1980; effective from 31 August 1978, the College's employees were assimilated into the Public Service Pension Plan which is administered by the Province of Newfoundland. The Board of Governors approved the transfer of the assets and liabilities of the College Pension Fund to the Province effective 30 June 1981. During the interim period payments continued to be made to the College Pension Fund rather than the Consolidated Revenue Fund as required by The Public Service (Pension) Act.

3. Restatement of prior period financial statements

   The purchase of capital items in excess of the provincial capital grant was not recorded as capital expenditure out of revenue. This amounted to $34,225 for the year ended 31 March 1980 and $48,077 for prior years.

   For the year ended 31 March 1980, the capital value of assets disposed of $23,729 and the trade-in value received of $14,371 were recorded as adjustments to contributed capital rather than as operating transactions.

   For the year ended 31 March 1975, fire insurance proceeds of $18,151 were recorded as a capital contribution rather than an operating transaction.

   As a result of the correction of these errors, capital contributions and surplus for the years ended 31 March 1980 and 1981 have been adjusted by $29,926 and $64,151 respectively. Comparative figures have been restated to reflect the correction of these errors.

4. Expenditures incurred on behalf of the College

   Expenditures of $738,284 and $1,033,275 for repairs and maintenance to buildings incurred by the Department of Public Works and Services have not been recorded in the College's financial statements for the years ended 31 March 1980 and 1981 respectively.

5. Comparative figures

   Certain comparative figures have been restated to conform with the current year's presentation.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Board of Governors of the
College of Fisheries, Navigation,
Marine Engineering and Electronics
St. John's, Newfoundland

I have examined the balance sheet of the Board of Governors of the College of Fisheries, Navigation, Marine Engineering and Electronics as at 31 March 1982 and the statements of surplus, revenue and expenditure and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at 31 March 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

St. John's, Newfoundland
21 September 1982

J.F. McGRATH, C.A.
Auditor General

BOARD OF GOVERNORS
COLLEGE OF FISHERIES, NAVIGATION, MARINE ENGINEERING AND ELECTRONICS

Index to Financial Statements
31 March 1982

Balance Sheet	Statement 1
Statement of Surplus	" 2
Statement of Revenue and Expenditure	" 3
Statement of Changes in Financial Position	" 4

BOARD OF
COLLEGE OF FISHERIES, NAVIGATION,

Balance
31 March

	1982	1981
Assets		
Current assets		
Cash	$ 367,058	$ 240,692
Accounts receivable	189,981	145,582
Inventories - at cost	85,743	58,078
Prepaid expenses	46,128	2,609
Total current assets	688,910	446,961
Fixed assets		
Building renovations and alterations - at cost	335,445	335,445
Equipment - at cost	3,434,579	3,011,688
Motor vessel - per appraisal by Captain J.J. Strong, Master Mariner, as of 26 May 1966	200,000	200,000
	3,970,024	3,547,133
	4,658,934	3,994,094
Trust fund —		
Cash and investments	43,220	31,246
Pension fund —		
Cash and investment held by trustee (Note 2)	—	4,537,246
	$4,702,154	$8,562,586

STATEMENT 1

GOVERNORS
MARINE ENGINEERING AND ELECTRONICS

Sheet
1982

	1982	1981
Liabilities and Surplus		
Current liabilities		
Accounts payable	$ 91,694	$ 40,424
Other liabilities	264,992	36,297
Deferred revenue	50,248	29,715
Total current liabilities	406,934	106,436
Capital		
Contributed		
Province of Newfoundland	3,774,257	3,374,257
Other	195,767	172,876
	3,970,024	3,547,133
Surplus (Statement 2)	281,976	340,525
	4,658,934	3,994,094
Trust fund - gifts and grants Fund balance	43,220	31,246
Pension fund — Fund balance	—	4,537,246
	$4,702,154	$8,562,586

See accompanying notes

Signed on behalf of the Board

F. AYLWARD
Chairman

A. BAIRD
Member

STATEMENT 2

BOARD OF GOVERNORS
COLLEGE OF FISHERIES, NAVIGATION, MARINE ENGINEERING AND ELECTRONICS

Statement of Surplus
For the year ended 31 March 1982

	1982	1981
Balance, beginning of year		
As previously reported	$340,525	$ 74,091
Correction of prior years' errors	—	(64,151)
As restated	340,525	9,940
Excess of revenue over expenditure	(58,549)	330,585
Balance, end of year	$281,976	$340,525

See accompanying notes

STATEMENT 3

BOARD OF GOVERNORS
COLLEGE OF FISHERIES, NAVIGATION, MARINE ENGINEERING AND ELECTRONICS

Statement of Revenue and Expenditure
For the year ended 31 March 1982

	1982	1981
Revenue		
Province of Newfoundland		
Grant-in-aid	$6,000,000	$5,275,000
Other income	485,158	499,815
	6,485,158	5,774,815
Expenditure		
Administration		
Salaries	723,972	619,153
Fringe benefits	74,553	49,928
Travel	33,459	17,691
Operating supplies	121,625	132,878
Repairs and maintenance	13,615	24,479
Equipment rentals	11,140	14,688
Other business services	128,525	66,993
Insurance	11,334	7,337
Communications	21,250	10,139
	1,139,473	943,286
Instructional		
Salaries	3,528,476	2,893,984
Fringe benefits	254,026	227,449
Travel	127,662	123,337
Operating supplies	355,117	371,060
Repairs and maintenance	180,668	159,102
Equipment rentals	14,843	15,729
Space rentals	49,984	14,818
Communications	75,213	11,100
Operating expenses - M.V. Beiner	214,558	135,915
	4,800,547	3,952,494
Student services	580,796	514,765
Capital expenditure out of revenue	22,891	33,685
	6,543,707	5,444,230
Excess of revenue over expenditure	$ (58,549)	$ 330,585

See accompanying notes

STATEMENT 4

BOARD OF GOVERNORS
COLLEGE OF FISHERIES, NAVIGATION, MARINE ENGINEERING AND ELECTRONICS

Statement of Changes in Financial Position
For the year ended 31 March 1982

	1982	1981
Source of funds		
From operations —		
Excess of revenue over expenditure	$(58,549)	$330,585
Add: Capital expenditure out of revenue	22,891	33,685
	(35,658)	364,270
Capital contribution by Province of Newfoundland	400,000	200,000
	364,342	564,270
Application of funds		
Additions to fixed assets	422,891	233,685
Increase (decrease) in working capital	(58,549)	330,585
Working capital, beginning of year	340,525	9,940
Working capital, end of year	$281,976	$340,525

See accompanying notes

BOARD OF GOVERNORS
COLLEGE OF FISHERIES, NAVIGATION, MARINE ENGINEERING AND ELECTRONICS

Notes to Financial Statements
For the year ended 31 March 1982

1. Accounting policies

   (a) Fixed assets of the College are not depreciated.

   (b) In accordance with Section 6 of the College of Fisheries Act, the land and buildings occupied by the College are the property of the Province of Newfoundland. The amounts shown represent costs incurred by the College of Fisheries only.

2. Pension fund

   (a) As determined by actuarial consultants, the unfunded liability of the College of Fisheries, Navigation, Marine Engineering and Electronics Pension Fund as at 31 December 1974 amounted to $1,074,500 on the no-inflation basis. This unfunded liability was being amortized over a thirty year period beginning in 1975, at an annual payment of $61,000. However, such amortization payments were discontinued in the fiscal year ended 31 March 1979.

   (b) Under The Public Service (Pensions) (College of Fisheries, Navigation, Marine Engineering and Electronics) Regulations, 1980, dated 9 September 1980; effective from 31 August 1978, the College's employees were assimilated into the Public Service Pension Plan which is administered by the Province of Newfoundland. The Board of Governors approved the transfer of the assets and liabilities of the College Pension Fund to the Province effective 30 June 1981. During the interim period payments continued to be made to the College Pension Fund rather than the Consolidated Revenue Fund as required by The Public Service (Pension) Act.

3. Expenditures incurred on behalf of the College

   Expenditures of $1,033,275 and $939,313 for repairs and maintenance to buildings incurred by the Department of Public Works and Services have not been recorded in the College's financial statements for the years ended 31 March 1981 and 1982 respectively.

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Board of Governors of the
College of Fisheries, Navigation,
Marine Engineering and Electronics
St. John's, Newfoundland

I have examined the balance sheet of the Board of Governors of the College of Fisheries, Navigation, Marine Engineering and Electronics, Pension Fund, as at 31 March 1981 and the statement of revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Pension Fund as at 31 March 1981 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

St. John's, Newfoundland
23 March 1982

J.F. McGRATH, C.A.
Auditor General

STATEMENT 1

COLLEGE OF FISHERIES, NAVIGATION, MARINE ENGINEERING AND ELECTRONICS PENSION FUND

Balance Sheet
31 March 1981

	1981	1980
Assets		
Cash	$ 25,169	$ 93,243
Contributions receivable	—	19,577
Accrued investment interest	37,201	30,381
Investment in Royal Trust classified investment funds — at cost (market value 1981 - $4,897,306 1980 - $3,832,618)	4,474,876	3,717,258
	$4,537,246	$3,860,459
Liabilities		
Pension fund balance		
Balance - beginning of year	$3,860,459	$3,280,931
Add: Excess of revenue over expenditure	676,787	579,528
Balance - end of year	$4,537,246	$3,860,459

See accompanying note

Signed on behalf of the Board of Governors

F. AYLWARD
Chairman

A. BAIRD
Member

STATEMENT 2

COLLEGE OF FISHERIES, NAVIGATION, MARINE ENGINEERING AND ELECTRONICS PENSION FUND

Statement of Revenue and Expenditure
For the year ended 31 March 1981

	1981	1980
Revenue		
Contribution by College	$155,590	$176,265
Contribution by employees	152,236	157,379
Investment income	234,079	305,642
Interest on cash balance	—	5,569
Gain on sale of investments	331,931	109,657
	$873,836	$754,512
Expenditure		
Contributions refunded	$ 23,043	$ 61,051
Pension payments	155,684	113,933
Consulting	18,322	—
	197,049	174,984
Excess of revenue over expenditure — carried forward to balance sheet	676,787	579,528
	$873,836	$754,512

See accompanying note

COLLEGE OF FISHERIES, NAVIGATION MARINE ENGINEERING AND ELECTRONICS PENSION FUND

Note to Financial Statements
31 March 1981

1. **Pension fund**

(a) As determined by actuarial consultants, the unfunded liability of the College of Fisheries, Navigation, Marine Engineering and Electronics Pension Fund as at 31 December 1974 amounted to $1,074,500 on the no-inflation basis. This unfunded liability was being amortized over a thirty year period beginning in 1975, at an annual payment of $61,000. However, such amortization payments were discontinued in the fiscal year ended 31 March 1979.

(b) Under The Public Service (Pensions) (College of Fisheries, Navigation, Marine Engineering and Electronics) Regulations, 1980, dated 9 September 1980; effective from 31 August 1978, the College's employees were assimilated into the Public Service Pension Plan which is administered by the Province of Newfoundland. The Board of Governors approved the transfer of the assets and liabilities of the College Pension Fund to the Province effective 30 June 1981. During the interim period payments continued to be made to the College Pension Fund rather than the Consolidated Revenue Fund as required by The Public Service (Pension) Act.

(c) Assets of the Pension Fund are held by the Royal Trust Company.

(d) The total of the assets and liabilities of The Pension Fund is also included in the financial statements of the College of Fisheries, Navigation, Marine Engineering and Electronics for the year ended 31 March 1981.

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

The Board of Governors of the
College of Trades and Technology
St. John's, Newfoundland

I have examined the balance sheet of the Board of Governors of the College of Trades and Technology as at 31 March 1982 and the statements of revenue and expenditure, equity and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at 31 March 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
20 August 1982

BOARD OF GOVERNORS
THE COLLEGE OF TRADES AND TECHNOLOGY

Index to Financial Statements
31 March 1982

Balance Sheet	Statement 1
Statement of Equity	" 2
Statement of Revenue and Expenditure	" 3
Statement of Changes in Financial Position	" 4
Supplementary Information	Schedule 1

BOARD OF THE COLLEGE OF TRADES

Balance
31 March

	1982	1981
Assets		
Current assets		
Cash	$ 732,414	$ 422,867
Short term investment	—	650,000
Accounts receivable		
Department of Labour and Manpower	—	80,564
Other	24,489	31,693
	24,489	112,257
Accrued interest receivable	5,659	12,977
Inventory - at cost		
Textbooks	72,203	84,559
Cafeteria	7,201	7,328
	79,404	91,887
Total current assets	841,966	1,289,988
Fixed assets - at cost (Notes 2 and 4)		
Heavy machinery and equipment	2,100,044	1,902,466
Furniture and fixtures	140,202	128,532
Office machines	185,742	181,461
Carpentry shop project	11,361	11,361
Leasehold improvements - Topsail Road Campus (Note 3)	615,941	615,941
Leasehold improvements - Building 910 (Note 3)	39,480	39,480
Building renovations	288,446	229,447
Paving	58,700	58,700
Total fixed assets	3,439,916	3,167,388
Less — Provincial Government Grants	3,269,361	2,996,833
— Assets expensed in year of acquisition	160,688	154,428
	9,867	16,127
Trust accounts	24,163	21,760
Total assets	$ 875,996	$ 1,327,875

STATEMENT 1

GOVERNORS
AND TECHNOLOGY

Sheet
1982

Liabilities and Equity	1982	1981
Current liabilities		
Accounts payable	$ 248,523	$ 234,633
Current portion of instalment contracts payable	3,080	6,260
Accrued liabilities - payroll	171,140	237,979
Employee payroll deductions and miscellaneous taxes payable	239,663	264,321
Total current liabilities	662,406	743,193
Long-term liabilities		
Instalment contracts payable (Note 4)	9,867	16,127
Less - Current portion	3,080	6,260
	6,787	9,867
Total liabilities	669,193	753,060
Unexpended capital grant (Schedule 1)		
Capital commitments	8,158	30,596
Uncommitted capital grant	—	14,906
	8,158	45,502
Equity (Schedule 1)		
Investment in inventory	79,404	91,887
Current commitments	95,078	397,275
Uncommitted funds	—	18,391
	174,482	507,553
Trust accounts equity	24,163	21,760
Total liabilities and equity	$ 875,996	$1,327,875

See accompanying notes

Signed on behalf of the Board of Governors

JOHN GREEN
Chairman of the Board of Governors

K. DUGGAN
President

STATEMENT 2

BOARD OF GOVERNORS
THE COLLEGE OF TRADES AND TECHNOLOGY

Statement of Equity
For the year ended 31 March 1982

	1982	1981
Balance, beginning of year	$507,553	$394,163
Excess of expenditure over revenue	333,071	(113,390)
Balance, end of year	$174,482	$507,553

See accompanying notes

BOARD OF THE COLLEGE OF TRADES

Statement of Revenue
For the year ended

	Budget 1982	1982	1981
Revenue			
Province of Newfoundland			
Grant-in-aid	$ 8,238,200	$ 8,238,200	$ 7,250,000
Apprenticeship advances	979,500	979,500	971,000
	9,217,700	9,217,700	8,221,000
General Hospital Nursing Assistants' Program	143,800	143,800	137,800
Bookstore sales	240,000	254,965	209,988
Cafeteria sales	125,100	117,702	83,282
Student fees — day	72,500	75,511	72,064
Student fees — night	80,000	105,347	69,401
Interest income	140,000	145,480	128,518
Miscellaneous	34,300	38,443	23,270
	835,700	881,248	724,323
Total revenue	$10,053,400	$10,098,948	$ 8,945,323

STATEMENT 3

GOVERNORS AND TECHNOLOGY

and Expenditure
31 March 1982

	Budget 1982	1982	1981
Expenditure			
Administrative and general			
Salaries	$ 1,736,400	$ 1,731,179	$ 1,387,788
Office supplies	97,500	118,468	86,369
Advertising and public relations	29,000	24,026	11,443
Travel	18,900	18,823	15,422
Utility services	438,000	413,043	258,475
Repairs and maintenance - buildings and grounds	467,400	445,808	317,466
Insurance	5,000	3,689	3,509
Vehicle expenses	13,300	15,472	9,913
Freight and duty	15,000	17,148	18,729
Miscellaneous	9,400	8,009	6,027
Student activities grant	28,700	29,934	24,231
Staff training	500	554	1,084
Total administrative and general	2,859,100	2,826,153	2,140,456
Instructional			
Salaries	5,624,200	5,654,369	4,793,691
Travel	20,600	23,908	16,133
Student transportation	15,000	16,597	13,402
Instructional supplies	450,500	463,638	479,858
Professional fees	7,500	1,775	8,094
Staff recruitment	17,500	18,162	16,831
Instructors' training	500	1,400	2,455
Rentals, repairs and maintenance - equipment	301,500	294,638	234,310
Building rentals	—	—	81,626
Course planning	—	—	1,000
Total instructional	6,437,300	6,474,487	5,647,400
Other			
Student allowance	615,000	630,597	606,650
Bookstore purchases	280,000	292,099	253,629
Cafeteria purchases	100,000	102,600	79,397
Library and audio-visual purchases	87,900	96,875	53,557
Interest expense	2,200	2,185	2,487
Assets expensed in year of acquisition	6,300	6,260	46,813
Nigerian project	2,000	683	1,544
Total other	1,093,400	1,131,379	1,044,077
Total expenditure	10,389,800	10,432,019	8,831,933
Excess of expenditure over revenue	$ 336,400	$ 333,071	$ (113,390)

See accompanying notes

STATEMENT 4

BOARD OF GOVERNORS
THE COLLEGE OF TRADES AND TECHNOLOGY

Statement of Changes in Financial Position
For the year ended 31 March 1982

	1982	1981
Source of funds		
From operations —		
Excess of revenue over expenditure	$ —	$113,390
Add - fixed assets expensed in year of acquisition	—	46,813
	—	160,203
Capital contribution by Province of Newfoundland	250,000	200,000
Increase in instalment contracts payable	—	9,227
	250,000	369,430
Application of funds		
To operations —		
Excess of expenditure over revenue	333,071	—
Less - fixed assets expensed in year of acquisition	6,260	—
	326,811	—
Reduction in instalment contracts payable	3,080	8,668
Additions to fixed assets	287,344	271,007
	617,235	279,675
Decrease (increase) in working capital	367,235	(89,755)
Working capital, beginning of year	546,795	457,040
Working capital, end of year	$179,560	$546,795

See accompanying notes

SCHEDULE I

BOARD OF GOVERNORS
THE COLLEGE OF TRADES AND TECHNOLOGY

Supplementary Information
31 March 1982

	Capital	Current	Total
Cash	$ 84,174	$648,240	$732,414
Accounts receivable	—	24,489	24,489
Interest receivable	—	5,659	5,659
Due from capital	—	28,430	28,430
	84,174	706,818	790,992
Accounts payable	47,121	201,402	248,523
Accrued liabilities	—	171,140	171,140
Employee payroll deductions and miscellaneous taxes payable	465	239,198	239,663
Due to current	28,430	—	28,430
	76,016	611,740	687,756
	$ 8,158	$ 95,078	$103,236
Net equity available - current			$ 95,078
Investment in inventory			79,404
			$174,482
Net equity available - current			$ 95,078
Outstanding commitments			95,078
			$ —
Net equity available - capital			$ 8,158
Outstanding commitments			8,158
			$ —

See accompanying notes

BOARD OF GOVERNORS
THE COLLEGE OF TRADES AND TECHNOLOGY

Notes to Financial Statements
31 March 1982

1. Accounting policy

   Most fixed asset acquisitions are financed by Province of Newfoundland capital grants which are deducted in total from the fixed assets on the balance sheet. The balance of the fixed assets are financed through current account funds and mostly represent capital assets created by the College. Fixed assets financed through current account funds are charged to operations in the year of acquisition.

2. In accordance with Section 5 of The College of Trades and Technology Act, R.S.N., 1970, C.49, the land, buildings and equipment in use by the College at the date of formation of the Board are the property of the Technical College Building Corporation Limited, a Provincial Crown Corporation.

3. The College has a lease from the Department of Public Works and Services for the Topsail Road Campus and Building 910, Pleasantville. No lease payments are required.

4. Fixed assets totalling $18,454 have been pledged as security for the instalment contracts payable.

5. Certain of the 1981 financial statement figures have been reclassified to conform with the 1982 presentation.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

The Chairman and Members,
The Farm Development Loan Board,
St. John's, Newfoundland.

In compliance with the requirements of Section 14 of the Farm Development Loan Act, 1953, I have examined the balance sheet of the Farm Development Loan Board, Farm Development Loan Fund, as at 31 March 1982 and the statements of revenue, expenditure and surplus and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Farm Development Loan Board, Farm Development Loan Fund, as at 31 March 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.,
Auditor General.

St. John's, Newfoundland
3 August 1982

STATEMENT 1

FARM DEVELOPMENT LOAN BOARD
FARM DEVELOPMENT LOAN FUND

Balance Sheet
As at 31 March 1982

	1982	1981
Assets		
Current		
Cash	$ 173,084	$ 188,806
Loans receivable:		
Principal due and unpaid	616,881	563,472
Current portion of long-term loans	439,847	414,297
Interest due and unpaid	131,318	111,571
Interest accrued	49,203	38,704
	1,237,249	1,128,044
Less: Allowance for doubtful accounts	178,625	185,993
	1,058,624	942,051
Total current assets	1,231,708	1,130,857
Long-term		
Loans receivable	2,859,780	2,424,027
Less: Current portion	439,847	414,297
Total long-term assets	2,419,933	2,009,730
	$3,651,641	$3,140,587
Liabilities		
Due to Province of Newfoundland (Note 3)	$3,178,000	$2,828,000
Equity		
Surplus (Note 4)	473,641	312,587
Total liabilities and equity	$3,651,641	$3,140,587

See accompanying notes

Signed on behalf of the Board

D.A. STONE
Chairman

DOMINIC DICKS
Member

STATEMENT 2

FARM DEVELOPMENT LOAN BOARD
FARM DEVELOPMENT LOAN FUND

Statement of Revenue, Expenditure and Surplus
For the year ended 31 March 1982

	1982	1981
Interest on loans	$148,532	$105,210
Recoveries on bad debts	17,341	17,046
	165,873	122,256
Less: Provision for doubtful accounts	4,819	62,294
Surplus for year	161,054	59,962
Surplus, beginning of year	312,587	252,625
Surplus, end of year	$473,641	$312,587

See accompanying notes

STATEMENT 3

FARM DEVELOPMENT LOAN BOARD
FARM DEVELOPMENT LOAN FUND

Statement of Changes in Financial Position
For the year ended 31 March 1982

	1982	1981
Financial resources were provided by:		
Principal instalments on loans receivable	$411,791	$374,763
Interest on loans receivable	111,330	79,401
Advance from Province of Newfoundland	350,000	350,000
	873,121	804,164
Financial resources were used for:		
Loan advances		
Land development	13,084	1,875
Equipment	278,765	236,409
Livestock	60,327	73,261
Construction of farm buildings	439,360	362,138
Swine	95,297	95,147
	886,833	768,830
Repayment of loan overpayments	2,010	1,802
	888,843	770,632
Increase (decrease) in cash during year	(15,722)	33,532
Bank balance, 1 April 1981	188,806	155,274
Bank balance, 31 March 1982	$173,084	$188,806

See accompanying notes

FARM DEVELOPMENT LOAN BOARD
FARM DEVELOPMENT LOAN FUND

Notes to the Financial Statements
For the year ended 31 March 1982

1. **Accounting Policies**

The transactions presented in these statements are those of the Farm Development Loan Fund only. Operating expenses of the Farm Development Loan Board were paid for by the Department of Rural, Agricultural and Northern Development, Province of Newfoundland.

2. **Loan Commitments**

The Board has approved loans amounting to $168,756 which had not been advanced as at 31 March 1982. Of this amount, loan approvals totalling $38,167 have since been cancelled because the applicant did not avail of same within the prescribed time limit.

3. **Due to Province of Newfoundland**

Beginning in the fiscal year 1980-81 the accounts listed in the Balance Sheet under the heading of Liabilities and Equity have been reclassified so as to present a clearer representation of the Loan Board's debt to the province. The account "Due to Province of Newfoundland" is composed solely of direct advances from the Province of Newfoundland since the Board was founded in 1953.

4. **Surplus Account**

As a result of the changes mentioned in Note 3 beginning on 31 March 1981 a surplus account now appears on the balance sheet. This surplus account represents the difference between the interest earned on all loans, plus recoveries on accounts considered bad debts, less the provisions made for bad and doubtful accounts. The total of this account is the cumulative total of income earned since the founding of the Board.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

The Shareholders
Feed Mill Building Company Limited
St. John's, Newfoundland

I have examined the balance sheet of the Feed Mill Building Company Limited as at 31 March 1982 and the statements of expenditure and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Company as at 31 March 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
9 December 1982

STATEMENT 1

FEED MILL BUILDING COMPANY LIMITED

Balance Sheet
31 March 1982

Assets

		1982	1981
Current assets:			
Cash		$ —	$ 3,460
Accounts receivable		$ —	100
Total assets		$ —	$ 3,560

Shareholders' Equity

		1982	1981
Share capital:			
Authorized:			
100 common shares of par value $1,000 each	$100,000		
Issued and fully paid:			
3 shares		$ —	$ 3,000
Retained earnings		—	560
Total shareholders' equity		$ —	$ 3,560

See accompanying note

Signed on behalf of the Board of Directors:

PHILIP J. WALL
Director

GILBERT G. GILL
Director

STATEMENT 2

FEED MILL BUILDING COMPANY LIMITED

Statement of Expenditure
For the year ended 31 March 1982

Expenditure

	1982	1981
Legal	$156	$ —
Miscellaneous	100	—
	256	—
Expenditure for the year	$256	$ —

See accompanying note

STATEMENT 3

FEED MILL BUILDING COMPANY LIMITED

Statement of Retained Earnings
For the year ended 31 March 1982

	1982	1981
Balance — Beginning of year	$560	$560
Less — Expenditure for the year	256	—
	304	560
Less - Paid to Province	304	—
Balance — End of year	$ —	$560

See accompanying note

FEED MILL BUILDING COMPANY LIMITED

Note to Financial Statements
For the year ended 31 March 1982

(1) The company was wound up at 31 March 1982 with the remaining cash being transferred to the Province.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

The Chairman and Members
The Fisheries Loan Board of Newfoundland
St. John's, Newfoundland

In compliance with the requirements of Section 16 of the Fisheries Loan Act, 1970, I have examined the balance sheet of the Fisheries Loan Board of Newfoundland, Fisheries Loan Fund, as at 31 March 1982 and the statements of revenue, expenditure and surplus and changes in cash position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fisheries Loan Board of Newfoundland, Fisheries Loan Fund, as at 31 March 1982 and the results of its operations and the changes in its cash position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's
3 December 1982

STATEMENT I

FISHERIES LOAN BOARD OF NEWFOUNDLAND
FISHERIES LOAN FUND

Balance Sheet
31 March 1982

	1982		1981	
Assets				
Current				
Cash		$ 4,254,500		$ 4,215,783
Due from Province		—		9,441
Miscellaneous accounts receivable		500		500
Lease revenue receivable		12,460		31,767
Advances receivable (Note 2)		862,695		3,774,577
Loans receivable (Note 3)				
Principal due and unpaid	$ 7,555,115		$ 5,003,704	
Current portion of long-term loans	6,165,018		4,494,256	
Interest due and unpaid	1,801,394		1,151,920	
Interest accrued	1,064,681		778,295	
	16,586,208		11,428,175	
Less: Allowance for doubtful accounts	4,526,380	12,059,828	3,952,314	7,475,861
Total current assets		17,189,983		15,507,929
Long-term				
Loans receivable		40,936,606		37,758,972
Less: Current portion		6,165,018		4,494,256
		34,771,588		33,264,716
Total assets		$51,961,571		$48,772,645
Liabilities and Surplus				
Current				
Borrowers' deposits		$ 445,124		$ 796,104
Tender deposits		400		—
Total current liabilities		445,524		796,104
Long-term				
Due to Province of Newfoundland		49,183,432		46,660,156
Total liabilities		49,628,956		47,456,260
Surplus (Note 4)		2,332,615		1,316,385
Total liabilities and surplus		$51,961,571		$48,772,645

See accompanying notes

Signed on behalf of the Board

F.G. PIKE	ERIC WELLS
Chairman	Member

STATEMENT 2

FISHERIES LOAN BOARD OF NEWFOUNDLAND
FISHERIES LOAN FUND

Statement of Revenue, Expenditure and Surplus
For the year ended 31 March 1982

	1982	1981
Revenue		
Interest on loans	$2,047,045	$1,561,505
Expenditure		
Provision for doubtful accounts	574,066	726,154
Operating expenses (Note 6)	347	1,950
	574,413	728,104
Excess of revenue over expenditure before extraordinary item	1,472,632	833,401
Extraordinary item (Note 5)	456,402	—
Excess of revenue over expenditure	1,016,230	833,401
Surplus, beginning of year	1,316,385	482,984
Surplus, end of year	$2,332,615	$1,316,385

See accompanying notes

STATEMENT 3

FISHERIES LOAN BOARD OF NEWFOUNDLAND
FISHERIES LOAN FUND

Statement of Changes in Cash Position
For the year ended 31 March 1982

	1982	1981
Cash resources were provided by:		
Principal instalments and deposits on loans receivable	$ 4,354,194	$ 5,024,142
Principal instalments and deposits on vessel construction	2,378,394	2,906,880
Interest on loans receivable	889,041	705,635
Lease revenue	12,820	19,800
Tender deposits	400	—
Advances from Province of Newfoundland	2,500,000	3,500,000
Interest subsidy	497,896	—
Miscellaneous	—	99
	10,632,745	12,156,556
Cash resources were used for:		
Loan advances		
Purchase of boats and equipment	6,456,486	5,080,474
Construction of vessels	3,648,693	9,533,560
Interest subsidy	487,131	9,441
Operating expenses paid by the Board	1,718	4,290
	10,594,028	14,627,765
Increase (decrease) in cash during year	38,717	(2,471,209)
Cash, 1 April	4,215,733	6,686,942
Cash, 31 March	$ 4,254,450	$ 4,215,732

See accompanying notes

FISHERIES LOAN BOARD OF NEWFOUNDLAND
FISHERIES LOAN FUND

Notes to Financial Statements
For the year ended 31 March 1982

1. Accounting policies

   (a) As per M.C. 1569-79, effective 11 December 1979, the Board is following the practice of capitalizing interest on loan advances during construction.

   (b) As per Section 13 of the fisheries loan regulations, the Board is following the practice of capitalizing interest on loan deferments made under M.C. 1093-81.

2. Advances receivable

   This account represents payments made for vessel construction. When the vessels are completed and the required documentation is in place, these expenditures are transferred to long-term loans receivable. During construction, all loan advances are covered by a Builder's Mortgage.

3. Loans receivable

   Included in the principal and interest outstanding at year-end is the amount of $708,881 which represents principal and interest due from individuals whose boats have been repossessed and sold. Of this amount $384,330 represents balances of contracts entered into prior to 3 September 1974, of which a portion is not legally collectible.

   During the fiscal year 1981-82, no loans were made to fishermen who were directors on the Loan Board.

   The allowance for doubtful accounts is 9% of the loan principal and interest receivable.

4. Surplus account

   This surplus account represents the difference between the interest earned on all loans less the provisions made for bad and doubtful accounts, along with the miscellaneous operating expenses covered by the Board.

   In the event of the Board's dissolution, any surplus balance will be returned to the Province.

5. Extraordinary item

   Minute of Council 1574-'79, dated 11 December 1979, authorized the Board to invite public tenders for the completion of five fishing vessels, situated at the Hamilton Sound Marine Limited Shipyard, at a total cost not exceeding $700,000 of which $200,000 would be absorbed directly by the Board. Minutes of Council 145-'80, dated 8 February 1980, and 945-'80, dated 31 July 1980, increased the total cost to $1,000,000. The amount of the contract overrun on the vessel construction was $456,402 and has been shown as an extraordinary item in these financial statements.

6. Operations

   The Department of Fisheries, Province of Newfoundland, was responsible for operating expenses totalling $1,687,773 of the Fisheries Loan Board of Newfoundland. These expenses are not reflected in these financial statements.

7. Commitments

   The Board has commitments of $4,096,000 for approved loans as at 31 March 1982.

8. Other

   These statements are a representation of the activities of the Fisheries Loan Fund as established by Sections 6 and 7 of the Fisheries Loan Act and are presented in accordance with Sections 14, 15 and 16 of the same Act.

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders
Gander Hospital Corporation Limited
St. John's, Newfoundland

I have examined the balance sheet of the Gander Hospital Corporation Limited as at 31 March 1982 and the statement of income and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Gander Hospital Corporation Limited as at 31 March 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
21 February 1983

GANDER HOSPITAL

Balance
31 March

	1982	1981
Assets		
Current assets:		
Accrued interest	$ 3,766	$ 3,608
Prepaid expenses	1,537	2,668
	5,303	6,276
Fixed assets, at cost (Note 3)		
Land	3,000	3,000
Buildings	6,348,837	6,348,837
	6,351,837	6,351,837
Less: Government grant in aid of construction	1,337,289	1,337,289
	5,014,548	5,014,548
Organization expenses	244	244
Debt service fund:		
Guaranteed investment receipt held by trustee, at cost	132,354	165,182
Total assets	$5,152,449	$5,186,250

STATEMENT 1

CORPORATION LIMITED

Sheet

1982

		1982	1981
Liabilities			
Current liabilities:			
Deferred revenue - per contra		$ 1,537	$ 2,668
Long-term debt due within one year		262,000	246,000
		263,537	248,668
Long-term liability (Notes 2 and 3) First Mortgage Sinking Fund Bonds, 6 1/4% Series "B", dated 1 June 1962 maturing 1 June and 1 December 1969-1988		1,963,000	2,225,000
Total liabilities		2,226,537	2,473,668
Shareholders' Equity			
Share capital:			
Authorized:			
100 common shares of $1,000 par value	$100,000		
Issued and fully paid:			
3 shares		3,000	3,000
Capital contributions:			
Repayment of long-term debt by the Province of Newfoundland		2,775,000	2,529,000
Debt service fund		132,354	165,182
Retained earnings		15,558	15,400
Total shareholders' equity		2,925,912	2,712,582
Total liabilities and shareholders' equity		$5,152,449	$5,186,250

See accompanying notes

Signed on behalf of the Board of Directors

GILBERT G. GILL
Director

PHILIP J. WALL
Director

STATEMENT 2

GANDER HOSPITAL CORPORATION LIMITED

Statement of Income and Retained Earnings
For the year ended 31 March 1982

	1982	1981
Income		
Province of Newfoundland:		
Rental of hospital and nurses' residence	$405,793	$409,487
Interest on investment	18,332	11,312
	424,125	420,799
Expenditure		
Debt charges:		
Payments to trustee for bondholders on account of principal and interest on First Mortgage Bonds:		
Principal	251,333	236,666
Interest	145,531	160,542
	396,864	397,208
Trustee's fees and sundry	1,650	1,608
Insurance	7,279	10,671
	405,793	409,487
Net income	18,332	11,312
Retained earnings, beginning of year	15,400	16,293
	33,732	27,605
Amount paid to Province of Newfoundland	18,174	12,205
Retained earnings, end of year	$ 15,558	$ 15,400

See accompanying notes

GANDER HOSPITAL CORPORATION LIMITED

Notes to Financial Statements
31 March 1982

1. **Accounting policies**

   (a) **Fixed assets**

   Fixed assets are not being depreciated, but payments of principal and interest on long-term debt are expensed in the financial statements.

   Certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholders and which were paid for by the Lessee, are not included in these accounts.

   (b) **Interest income**

   All payments on account of principal and interest on the First Mortgage Bonds are paid into a Debt Service Fund. The interest on the Fund is recorded as interest income and is periodically paid to the Province as a distribution of retained earnings.

   (c) **Rental revenue**

   The rental revenue received from the Province is equal to the annual amount required to be paid on account of principal and interest and other expenses. Thus, prepaid expenses equal deferred revenue of the Corporation.

2. Principal payments coming due on the 6 1/4% Series "B" First Mortgage Bonds from 1983 to 1987 are: $262,000; $279,000; $297,000; $315,000 and $335,000 respectively.

3. Fixed assets have been pledged as security for the long-term debt.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders
Grace Hospital Extension Corporation Limited
St. John's, Newfoundland

I have examined the balance sheet of the Grace Hospital Extension Corporation Limited as at 31 March 1981 and the statement of income and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at 31 March 1981 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
26 January 1983

GRACE HOSPITAL EXTENSION

Balance
31 March

	1981	1980
Assets		
Current assets:		
Accounts receivable	$ 7,576	$ 5,012
Accrued rent	108,500	108,500
Prepaid expense	6,031	5,772
	122,107	119,284
Fixed assets, at cost: (Note 4)		
Land	3,000	3,000
Buildings and equipment:		
Nurses' residence, boiler house and laundry	4,134,354	4,134,354
Hospital extension	5,620,839	5,620,839
	9,758,193	9,758,193
Less: Government grant in aid of construction	984,167	984,167
	8,774,026	8,774,026
Organization expenses	260	260
Sinking Fund assets, held by trustee: (Notes 2 and 3)		
Series "A" Bonds:		
Cash	—	10,021
Investments, at cost	2,509,563	2,186,276
Accrued interest	31,230	29,611
	2,540,793	2,225,908
Series "B" Bonds:		
Cash	—	9,486
Investments, at cost	2,749,690	2,392,853
Accured interest	23,016	21,579
	2,772,706	2,423,918
	5,313,499	4,649,826
Total assets	$14,209,892	$13,543,396

STATEMENT 1

CORPORATION LIMITED

Sheet
1981

		1981	1980
Liabilities			
Current liabilities:			
Accrued interest on bonds		$ 108,500	$ 108,500
Deferred revenue - per contra		6,031	5,772
		114,531	114,272
Long-term debt: (Note 4)			
First Mortgage Sinking Fund Bonds:			
6% Series "A" dated 30 June 1964 maturing 30 June 1989		3,900,000	3,900,000
6 1/4% Series "B" dated 1 February 1966 maturing 1 February 1991		4,800,000	4,800,000
		8,700,000	8,700,000
Total liabilities		8,814,531	8,814,272
Shareholders' Equity			
Share Capital:			
Authorized:			
100 common shares of par value $1,000 each	$100,000		
Issued and fully paid:			
3 shares		3,000	3,000
Retained earnings		78,862	76,298
Sinking fund balances			
— Series "A" bonds		2,540,793	2,225,908
— Series "B" bonds		2,772,706	2,423,918
Total shareholders' equity		5,395,361	4,729,124
Total liabilities and shareholders' equity		$14,209,892	$13,543,396

See accompanying notes

Signed on behalf of the Board of Directors

GILBERT G. GILL
Director

PHILIP J. WALL
Director

STATEMENT 2

GRACE HOSPITAL EXTENSION CORPORATION LIMITED

Statement of Income and Retained Earnings
For the year ended 31 March 1981

	1981	1980
Revenue		
Province of Newfoundland:		
Rental of buildings	$735,496	$738,748
Interest income	2,564	2,439
	738,060	741,187
Expenditure		
Debt charges:		
Payments to trustee for bondholders on account of principal and interest on First Mortgage Sinking Fund Bonds:		
Principal	182,287	182,287
Interest	534,000	534,000
	716,287	716,287
Trustee's fees and sundry	9,819	10,574
Fire insurance	9,390	11,887
	735,496	738,748
Net income	2,564	2,439
Retained earnings, beginning of year	76,298	73,859
Retained earnings, end of year	$ 78,862	$ 76,298

See accompanying notes

GRACE HOSPITAL EXTENSION CORPORATION LIMITED

Notes to Financial Statements

31 March 1981

1. **Accounting policies**

(a) **Fixed assets**

Fixed assets are not being depreciated, but payments of principal and interest on long-term debt are expensed in the financial statements.

Certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholders and which were paid for by the Lessee, are not included in these financial statements.

(b) **Interest income**

All payments on account of interest on the First Mortgage Bonds are paid into a Debt Service Fund. The interest on the Fund is recorded as interest income and is periodically paid to the Province as a distribution of surplus.

All payments on account of principal on the first mortgage bonds are paid into sinking funds. Interest earned on sinking fund investments is reinvested in the sinking fund and thus is not shown as income of the corporation.

(c) **Rental revenue**

The rental revenue received from the Province is equal to the annual amount required to be paid on account of principal and interest, and other expenses. Thus, accrued rent and deferred revenue equal accrued interest on bonds and prepaid expenses of the corporation.

2. Sinking Fund investments held 31 March 1981 were as follows:

	Principal Amount	Market Value	Cost
Series "A" Bonds			
Grace Hospital Extension Corporation Limited Series "A" 6% maturing 30 June 1989	$1,576,000	$ 948,689	$1,208,808
Province of Newfoundland 10 3/8% maturing 15 May 1995	80,000	61,359	78,200
G.I.C. Deposit, Montreal Trust Company 15% maturing 22 April 1981	1,222,555	1,222,555	1,222,555
	$2,878,555	$2,232,603	$2,509,563
Series "B" Bonds			
Grace Hospital Extension Corporation Limited Series "B" 6 1/4% maturing 1 February 1991	$1,821,000	$1,052,939	$1,412,023
G.I.C. Deposits, Montreal Trust Company 15% maturing 22 April 1981	1,337,667	1,337,667	1,337,667
	$3,158,667	$2,390,606	$2,749,690

3. During each of the ensuing five years principal payments of $81,715 and $100,572 are required to be made to Series "A" and "B" Sinking Fund respectively.

4. The fixed assets have been pledged as security for the long-term debt.

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders
Grand Falls Hospital Corporation Limited
St. John's, Newfoundland

I have examined the balance sheet of the Grand Falls Hospital Corporation Limited as at 31 March 1982 and the statement of income and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at 31 March 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
28 February 1983

GRAND FALLS HOSPITAL

Balance
31 March

Assets	1982	1981
Current assets		
Accounts receivable	$ 1,408	$ 4,240
Prepaid expenses	2,098	3,669
	3,506	7,909
Fixed assets, at cost (Note 3)		
Land	3,000	3,000
Buildings	4,838,557	4,838,557
	4,841,557	4,841,557
Less: Government grant-in-aid of construction	654,607	654,607
	4,186,950	4,186,950
Intangible assets		
Organization expense	240	240
Debt service fund		
Investments held by trustee, at cost	23,676	47,421
Total assets	$4,214,372	$4,242,520

STATEMENT I

CORPORATION LIMITED

Sheet
1982

		1982	1981
Liabilities			
Current liabilities			
Accounts payable		$ 1,157	$ 1,210
Deferred revenue		2,098	3,669
Current portion of long-term debt		203,000	191,000
		206,255	195,879
Long-term debt (Notes 2 and 3)			
6 1/2% Series "B" First Mortgage Sinking Fund Bonds, dated 1 March 1961, maturing 1 September 1987		1,091,000	1,294,000
Total liabilities		1,297,255	1,489,879
Shareholders' Equity			
Share capital			
Authorized			
100 common shares, par value of $1,000 each	$100,000		
Issued and fully paid			
3 shares		3,000	3,000
Capital contributions			
Central Newfoundland Hospital Committee		663,765	663,765
Repayment of long-term debt by Province of Newfoundland		2,206,000	2,015,000
		2,869,765	2,678,765
Retained earnings		20,676	23,455
Debt service fund balance		23,676	47,421
Total shareholders' equity		2,917,117	2,752,641
Total liabilities and shareholders' equity		$4,214,372	$4,242,520

See accompanying notes.

Signed on behalf of the Board of Directors

GILBERT G. GILL
Director

PHILIP J. WALL
Director

STATEMENT 2

GRAND FALLS HOSPITAL CORPORATION LIMITED

Statement of Income and Retained Earnings
For the year ended 31 March 1982

	1982	1981
Revenue		
Province of Newfoundland		
Rental of hospital and nurses' residence	$295,595	$300,223
Interest	13,624	8,006
	309,219	308,229
Expenditure		
Debt charges		
Payments to trustee for bondholders on account of principal and interest on First Mortgage Sinking Fund Bonds		
Principal	191,000	180,000
Interest	93,470	104,330
	284,470	284,330
Trustee's fees and sundry	1,162	1,215
Fire insurance	9,963	14,678
	295,595	300,223
Net income	13,624	8,006
Retained earnings - beginning of year	23,455	20,507
	37,079	28,513
Amount paid to Province of Newfoundland	16,403	5,058
Retained earnings - end of year	$ 20,676	$ 23,455

See accompanying notes

GRAND FALLS HOSPITAL CORPORATION LIMITED

Notes to Financial Statements

31 March 1982

1. **Accounting policies**

(a) **Fixed assets**

Fixed assets are not being depreciated, but payments of principal and interest on long-term debt are expensed in the financial statements. Certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholder and which were paid for by the Lessee, are not included in these accounts.

(b) **Interest income**

All payments on account of principal and interest on the First Mortgage Bonds are paid into a Debt Service Fund. The interest on the Fund is recorded as interest income and is periodically paid to the Province as a distribution of surplus.

(c) **Rental revenue**

The rental revenue received from the Province is equal to the annual amount required to be paid on account of principal and interest and other expenses. Thus, deferred revenue equals prepaid expenses of the Corporation.

2 Principal payments coming due on the First Mortgage Sinking Fund Bonds from 1983 to 1987 are: $203,000; $216,000; $230,000; $246,000 and $262,000 respectively.

3. Fixed assets have been pledged as security for the long-term debt.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

The Chairman and Members,
Harmon Corporation,
Stephenville, Newfoundland

I have examined the balance sheet of the Harmon Corporation as at 31 March 1981 and the statements of revenue and expenditure and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Harmon Corporation as at 31 March 1981 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.,
Auditor General

St. John's, Newfoundland
17 November 1981

HARMON CORPORATION

Index to Financial Statements
31 March 1981

Balance Sheet	Statement 1
Statement of Retained Earnings	" 2
Statement of Revenue and Expenditure	" 3

HARMON

Balance
31 March

	1981	1980
Assets		
Current assets		
Cash	$ 55,548	$ 79,110
Term deposits	1,050,000	600,000
Accounts receivable	18,104	43,095
Less: Allowance for doubtful accounts	12,100	24,259
	6,004	18,836
Accrued interest receivable	38,375	29,723
Current portion of mortgages receivable	36,580	33,998
Prepaid expenses	2,054	4,123
Total current assets	1,188,561	765,790
Mortgages receivable	307,566	344,504
Fixed assets (Note 2)		
Contributed	51,003,063	58,435,130
Purchased	99,437	98,579
	51,102,500	58,533,709
Total assets	$52,598,627	$59,644,003

STATEMENT 1

CORPORATION
Sheet
1981

	1981	1980
Liabilities and Surplus		
Current liabilities		
Accounts payable	$ 21,375	$ 15,245
Contract holdback payable	—	3,810
Accrued payroll	7,370	6,976
Option deposits	1,800	5,800
Sundry payables	8,798	7,079
Total current liabilities	39,343	38,910
Surplus		
Contributed surplus		
Province of Newfoundland		
Buildings	51,003,063	58,435,130
Capital grants	34,474	34,474
	51,037,537	58,469,604
Retained earnings	1,521,747	1,135,489
	52,559,284	59,605,093
Total liabilities and surplus	$52,598,627	$59,644,003

See accompanying notes

Signed on behalf of the Harmon Corporation

JAMES COCHRANE
Chairman

DON POWELL
Member

STATEMENT 2

HARMON CORPORATION

Statement of Retained Earnings
For the year ended 31 March 1981

	1981	1980
Balance at beginning of the year	$1,135,489	$ 859,515
Excess of revenue over expenditure	386,258	275,974
Balance at end of the year	$1,521,747	$1,135,489

See accompanying notes

STATEMENT 3

HARMON CORPORATION

Statement of Revenue and Expenditure
For the year ended 31 March 1981

	1981	1980
Revenue		
Rents		
Rental of commercial properties	$ 384,685	$373,718
Sales		
Electricity	1,019	1,962
Heat	5,530	8,876
Contributed fixed assets	515,222	288,659
	521,771	299,497
Miscellaneous		
Municipal services	12,139	6,296
Interest income	157,121	109,590
General	2,468	27,668
	171,728	143,554
Total revenue	1,078,184	816,769
Expenditure		
Administrative		
Travel	36,505	26,272
Salaries	131,382	91,289
Office expense	23,836	15,463
Advertising and promotion	11,368	17,549
Other	161,479	99,447
	364,570	250,020
Grant Town of Stephenville	25,000	25,000
	389,570	275,020
Protection to persons and property		
Police protection	5,683	6,969
Public works		
Maintenance of roads and grounds	60,623	41,294
Snow removal	4,702	10,332
Maintenance and operation of vehicles	10,145	9,146
Maintenance of fuel distribution system	758	429
Boiler water treatment	335	618
	76,563	61,819
Sanitation and waste removal	3,925	4,912
Bad debts (recovered)	(3,861)	6,120
Buildings		
Maintenance and operation - commercial properties	212,464	179,710
Miscellaneous	387	448
Reimbursable	7,195	5,797
Total expenditure	691,926	540,795
Excess of revenue over expenditure	$ 386,258	$275,974

See accompanying notes

HARMON CORPORATION

Notes to Financial Statements
For the year ended 31 March 1981

1. **Accounting policy**

Fixed assets

The fixed assets, which were transferred to the Province by the Government of Canada, are recorded at values obtained from information supplied by the original owners, the United States Air Force, and approved by the Corporation as at the date of its incorporation. The offsetting credit to record these fixed assets is included in the surplus account entitled "Contributed surplus". Subsequent additions to fixed assets are recorded at cost.

Fixed assets are not depreciated. Disposals of fixed assets are relieved from the accounts at cost. Profits and losses resulting from the sale of "purchased assets" and proceeds from the sale of "contributed assets" are reflected in the Statement of Revenue and Expenditure.

2. **Fixed assets**

	1981	1980
Land	$ 500	$ 500
Buildings	34,721,506	40,410,445
Water, sewerage and heating systems	1,983,575	1,983,575
Electrical light and power distribution	35,000	35,000
Airport facilities	8,448,292	8,448,292
Fuel storage and distribution facilities	5,203,048	5,565,077
Telephone system	—	1,381,098
Outdoor recreational facilities	20,564	20,564
Vehicles and other equipment	93,537	92,680
Streets, roads and improvements	596,478	596,478
Total fixed assets	$51,102,500	$58,533,709

For consideration of the transfer of fixed assets, the Province agreed to return to the Government of Canada any of the assets which may be required by the Government of Canada in connection with services it normally provides. At 31 March 1981 street and flood lighting, railway, airport and harbour and marine facilities which were carried in the Corporation's accounts at $32,856,331 had been transferred to the Government of Canada.

3. **Repairs and maintenance**

Expenditures for repairs and maintenance to buildings, incurred by the Department of Public Works and Services on behalf of Harmon Corporation, have not been recorded in the Corporation's financial statements. The amount of these expenditures was not available at audit date.

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

The Chairman and Members,
Harmon Corporation,
Stephenville, Newfoundland

I have examined the balance sheet of the Harmon Corporation as at 31 March 1982 and the statements of revenue and expenditure and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Harmon Corporation as at 31 March 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J F McGRATH, C A.,
Auditor General

St. John's, Newfoundland
9 June 1982

HARMON CORPORATION

Index to Financial Statements

31 March 1982

Balance Sheet **Statement 1**

Statement of Retained Earnings **" 2**

Statement of Revenue and Expenditure **" 3**

HARMON

Balance
31 March

Assets	1982	1981
Current assets		
Cash	$ 37,297	$ 55,548
Term deposits	1,035,000	1,050,000
Accounts receivable	53,664	18,104
Less: Allowance for doubtful accounts	23,008	12,100
	30,656	6,004
Accrued interest receivable	5,773	38,375
Current portion of mortgages receivable	44,056	36,580
Prepaid expenses	4,815	2,054
Total current assets	1,157,597	1,188,561
Mortgages receivable	264,076	307,566
Fixed assets (Note 2)		
Contributed	50,145,628	51,003,063
Purchased	93,975	99,437
	50,239,603	51,102,500
Total assets	$51,661,276	$52,598,627

STATEMENT I

CORPORATION

Sheet

1982

	1982	1981
Liabilities and Surplus		
Current liabilities		
Accounts payable	$ 13,588	$ 21,375
Contract payable	31,700	—
Accrued annual leave	26,941	32,497
Accrued payroll	8,849	7,370
Option deposits	12,425	1,800
Sundry payables	13,343	13,765
Total current liabilities	106,846	76,807
Other liabilities		
Severance pay payable	47,675	55,518
Surplus		
Contributed surplus		
Province of Newfoundland		
Buildings	50,145,628	51,003,063
Capital grants	34,474	34,474
	50,180,102	51,037,537
Retained earnings	1,326,653	1,428,765
	51,506,755	52,466,302
Total liabilities and surplus	$51,661,276	$52,598,627

See accompanying notes

Signed on behalf of the Harmon Corporation

JAMES COCHRANE
Chairman

DON POWELL
Member

STATEMENT 2

HARMON CORPORATION

Statement of Retained Earnings
For the year ended 31 March 1982

	1982	1981
Balance at beginning of the year, as previously reported	$1,521,747	$1,135,489
Adjustment (Note 4)	(92,982)	(89,882)
Balance at beginning of year, as restated	1,428,765	1,045,607
Excess of expenditure over revenue	102,112	(383,158)
Balance at end of the year	$1,326,653	$1,428,765

See accompanying notes

STATEMENT 3

HARMON CORPORATION

Statement of Revenue and Expenditure
For the year ended 31 March 1982

	1982	1981
Revenue		
Rents		
Rental of commercial properties	$ 404,065	$384,685
Sales		
Electricity	—	1,019
Heat	600	5,530
Contributed fixed assets	36,400	515,222
	37,000	521,771
Miscellaneous		
Municipal services	7,323	12,139
Interest income	200,962	157,121
General	8,630	2,468
	216,915	171,728
Total revenue	657,980	1,078,184
Expenditure		
Administrative		
Travel	27,275	36,505
Salaries	135,882	131,382
Office expense	32,775	23,836
Advertising and promotion	12,764	11,368
Other	153,788	164,579
	362,484	367,670
Grant Association for the Disabled	5,000	—
Grant Town of Stephenville	25,000	25,000
	392,484	392,670
Protection to persons and property		
Police protection	4,910	5,683
Public works		
Maintenance of roads and grounds	50,232	60,623
Snow removal	12,570	4,702
Maintenance and operation of vehicles	9,313	10,145
Maintenance of fuel distribution system	4,394	758
Boiler water treatment	677	335
	77,186	76,563
Sanitation and waste removal	2,946	3,925
Bad debts (recovered)	10,908	(3,861)
Buildings		
Maintenance and operation - commercial properties	250,430	212,464
Loss on disposal of purchased assets	13,873	—
Miscellaneous	944	387
Reimbursable	6,411	7,195
Total expenditure	760,092	695,026
Excess of expenditure over revenue	$ 102,112	$(383,158)

See accompanying notes

HARMON CORPORATION

Notes to Financial Statements
For the year ended 31 March 1982

1. **Accounting policy**

Fixed assets

The fixed assets, which were transferred to the Province by the Government of Canada, are recorded at values obtained from information supplied by the original owners, the United States Air Force, and approved by the Corporation as at the date of its incorporation. The offsetting credit to record these fixed assets is included in the surplus account entitled "Contributed surplus". Subsequent additions to fixed assets are recorded at cost.

Fixed assets are not depreciated. Disposals of fixed assets are relieved from the accounts at cost. Profits and losses resulting from the sale of "purchased assets" and proceeds from the sale of "contributed assets" are reflected in the Statement of Revenue and Expenditure.

2. **Fixed assets**

	1982	1981
Land	$ 500	$ 500
Buildings	33,899,579	34,721,506
Water, sewerage and heating systems	1,983,575	1,983,575
Electrical light and power distribution	35,000	35,000
Airport facilities	8,448,292	8,448,292
Fuel storage and distribution facilities	5,167,540	5,203,048
Outdoor recreational facilities	20,564	20,564
Vehicles and other equipment	88,075	93,537
Streets, roads and improvements	596,478	596,478
Total fixed assets	$50,239,603	$51,102,500

For consideration of the transfer of fixed assets, the Province agreed to return to the Government of Canada any of the assets which may be required by the Government of Canada in connection with services it normally provides. At 31 March 1982 street and flood lighting, railway, airport and harbour and marine facilities which were carried in the Corporation's accounts at $32,856,331 had been transferred to the Government of Canada.

3. **Repairs and maintenance**

Expenditures for repairs and maintenance to buildings, incurred by the Department of Public Works and Services on behalf of Harmon Corporation, have not been recorded in the Corporation's financial statements. The amount of these expenditures was not available at audit date.

4. **Change in accounting policy**

Severance pay and annual leave expenses previously reported on the cash basis, have now been reported on the accrual basis. As a result the balance of Retained Earnings at 31 March 1981 previously reported as $1,521,747 has been restated to show a retroactive adjustment of $92,982 representing the amount required to expense prior year's severance pay and annual leave expenses. The $92,982 is comprised of an increase in expenses of $89,882 applicable to 1 April 1980 and an increase in expenses in the amount of $3,100 applicable to the year ended 31 March 1981 and has been applied to that year accordingly.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders
Hotel Buildings Limited
St. John's, Newfoundland

I have examined the balance sheet of Hotel Buildings Limited as at 31 March 1982 and the statement of revenue, expenditure and deficit for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances. I did not perform an audit of those accounts of the company which are maintained by Atlific (Nfld.) Limited, operator of the company's hotels, restaurants and bars. The relevant accounts maintained by the operator are included herein based upon financial statements reported upon by other auditors.

Note 1 indicates that the company is not depreciating any of its fixed assets. In this respect the financial statements are not in accordance with generally accepted accounting principles. Those assets have been acquired during the last 17 years, and as explained in Notes 2 and 3, Atlific (Nfld.) Limited in 1966 was appointed the sole and exclusive operating manager of the hotels owned by the company for a period of 25 years. At any time within this 25 year period, Atlific (Nfld.) Limited has the option to purchase the premises and all additions and extensions thereto at a price equal to the total cost of the project at the date of exercise of the option.

In my opinion, except for the effects of the failure to record depreciation as described in the preceding paragraph, these financial statements present fairly the financial position of the company as at 31 March 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
4 January 1983

HOTEL BUILDINGS

Balance
31 March

	1982	1981
Assets		
Current assets		
Cash	$ 282,116	$ 239,396
Accounts receivable - less allowance for doubtful accounts — 1982 $62,347 — 1981 $56,151	448,900	410,164
Inventory, at lower of cost or replacement cost	90,153	83,743
Prepaid expenses	105,941	105,660
	927,110	838,963
Investment in Bally Haly Golf and Country Club	200	200
Fixed assets - at cost, Schedule 1 (Note 6)	19,553,463	19,190,447
Deferred charges - plans and specifications	58,351	58,351
Organization expenses	264	264
Total assets	$20,539,388	$20,088,225

STATEMENT 1

LIMITED
Sheet
1982

Liabilities Less Deficit

		1982	1981
Current liabilities			
Accounts payable and accrued liabilities		$ 657,193	$ 736,610
Due to Atlific (Nfld.) Limited - operator		132,399	25,646
Current portion of long-term liabilities ($450,000 U.S.)		571,590	538,380
		1,361,182	1,300,636
Newfoundland Industrial Development Corporation 6 1/2% demand loan		966,311	2,110,479
Province of Newfoundland			
Debenture interest paid pursuant to guarantee		7,164,428	6,858,204
Debenture principal redeemed pursuant to guarantee		5,764,543	5,226,163
Interest on advances of funds pursuant to guarantee		11,791,383	9,289,123
Non-interest bearing advances		580,175	580,175
		25,300,529	21,953,665
Long-term liabilities, Schedule 2 (Notes 4, 5 and 6)		3,386,402	3,870,174
Total liabilities		31,014,424	29,234,954
Suspense			
Unrealized loss on foreign exchange		(87,818)	(54,607)
Share capital			
Authorized			
100 common shares of par value $1,000 each	$100,000		
Issued and fully paid 3 shares		3,000	3,000
Deficit		(10,390,218)	(9,095,122)
Total liabilities less deficit		$20,539,388	$20,088,225

See accompanying notes

Signed on behalf of the Board of Directors

GILBERT G. GILL
Director

PHILIP J. WALL
Director

STATEMENT 2

HOTEL BUILDINGS LIMITED

Statement of Revenue, Expenditure and Deficit
For the year ended 31 March 1982

	1982	1981
Revenue		
Departmental profits (losses)		
Rooms	$ 3,921,441	$ 3,487,327
Food and beverage	944,855	862,052
Telephone	(109,286)	(93,217)
Other	145,769	132,466
	4,902,779	4,388,628
Realized gain (loss) on foreign exchange	(54,607)	(42,053)
Total revenue	4,848,172	4,346,575
Expenditure		
Overhead expenses		
Administrative and general	1,651,739	1,412,099
Advertising and business promotion	245,588	236,613
Heat, light and power	529,317	466,921
Maintenance and repairs	499,873	481,181
Insurance	28,422	27,854
Municipal taxes	281,612	275,540
Interest and financing charges	2,906,717	2,351,854
Total expenditure	6,143,268	5,252,062
Excess of expenditure over revenue	1,295,096	905,487
Deficit, beginning of year	9,095,122	8,189,635
Deficit, end of year	$10,390,218	$ 9,095,122

See accompanying notes

SCHEDULE 1

HOTEL BUILDINGS LIMITED

Fixed Assets
31 March 1982

	1982	1981
Fixed assets, at cost		
St. John's —		
Land	$ 260,940	$ 260,940
Building	5,815,481	5,783,541
Equipment and furniture	1,511,179	1,459,935
	7,587,600	7,504,416
Clarenville —		
Land	36,510	36,510
Building	2,508,362	2,504,550
Equipment and furniture	505,112	489,089
	3,049,984	3,030,149
Gander —		
Land	24,280	24,280
Building	2,559,026	2,476,176
Equipment and furniture	565,461	460,688
	3,148,767	2,961,144
Corner Brook —		
Land	273,386	273,386
Building	3,693,798	3,666,515
Equipment and furniture	947,127	921,323
	4,914,311	4,861,224
Hotel Port aux Basques —		
Land	19,500	19,500
Building	659,751	652,423
Equipment and furniture	173,550	161,591
	852,801	833,514
Total	$19,553,463	$19,190,447

See accompanying notes

SCHEDULE 2

HOTEL BUILDINGS LIMITED

Long-Term Liabilities
31 March 1982

		1982	1981
6 1/2% Guaranteed debentures dated 18 August 1966 and 17 January 1967, maturing 31 December 1989, fully guaranteed by the Province of Newfoundland —			
Issued ($9,000,000 U.S.)		$9,675,438	$9,675,438
Redeemed ($5,400,000 U.S.)	$5,805,264		
Current portion of long-term debt ($450,000 U.S.)	483,772	6,289,036	5,805,264
Outstanding ($3,150,000 U.S.)		$3,386,402	$3,870,174

See accompanying notes

HOTEL BUILDINGS LIMITED

Notes to Financial Statements

31 March 1982

1. **Summary of accounting policies**

   (a) **Fixed assets**

   No provision for depreciation of fixed assets has been charged in the accounts of the Company.

   (b) **Foreign exchange**

   Conversion of U.S. dollars to Canadian dollars was made at the appropriate rates prevailing when the debenture debt was incurred. The instalment of long-term debt payable within one year is converted to Canadian at the estimated rate of exchange in effect on the date of payment. The difference between the original carrying value of the instalment and the estimated amount is shown as a Suspense Account in the balance sheet.

2. Under an indenture dated 29 September 1966, Atlific (Nfld.) Limited, the operator of the hotels, was granted options: (a) to purchase the shares of the Company or (b) to purchase the premises and all additions and extensions thereto. These options are exercisable within a period of twenty-five years from the date of indenture and under either option the payment is to be the total cost of the project at the date of exercise of the option.

3. Under an agreement dated 29 September 1966, Atlific (Nfld.) Limited was appointed the sole and exclusive operating manager of the hotels owned by the Company, for a period of twenty-five years from the date of the agreement.

4. On 30 June and 31 December in each year, the Company is required to apply to the prepayment of the debenture without premiums, an amount equal to 2 1/2% of the aggregate principal amount of the debentures issued. The prepayment commenced 30 June 1970 and will end 31 December 1989.

5. The balance of long-term liabilities outstanding, $3,150,000 U.S., converted to Canadian at the rate of exchange prevailing on 31 March 1982, equals $3,871,665.

6. The fixed assets have been pledged as security for the long-term liabilities.

7. **Income taxes**

   The Company is a Crown Corporation and, therefore, is not subject to either Provincial or Federal Income Taxes.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Chairman and Members of
The Livestock Owners Compensation Board

I have examined the balance sheet of The Livestock Owners Compensation Board as at 31 March 1981 and the statement of revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at 31 March 1981 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
8 December 1982

THE LIVESTOCK OWNERS COMPENSATION BOARD

Balance Sheet

31 March 1981

	1981	1980
Assets		
Cash	$43,989	$20,202
Total assets	$43,989	$20,202
Liabilities		
Province of Newfoundland		
— Deferred operating advances	$43,236	$20,202
Prepaid premiums	753	—
Total liabilities	43,989	$20,202

Signed on behalf of the Board

MARTIN P. HOWLETT	**MICHAEL F. STAPLETON**
Chairman	**Member**

THE LIVESTOCK OWNERS COMPENSATION BOARD

Statement of Revenue and Expenditure
For the year ended 31 March 1981

	1981	1980
Revenue		
Premiums from livestock owners	$2,000	$1,440
Province of Newfoundland — Cost of claims	6,965	3,274
Total revenue	$8,965	$4,714
Expenditure		
Indemnities paid	$8,965	$4,714
Total expenditures	$8,965	$4,714

NOTE

The Board does not have any full time staff but is administered mainly by employees of the Department of Rural, Agricultural and Northern Development. The province, represented by that department, is responsible for the costs of administration of the Board. These costs which are paid directly by the province on behalf of the Board are not reflected in these statements.

AUDITORS' REPORT

To the Shareholders of
Marystown Shipyard Limited

We have examined the balance sheet of Marystown Shipyard Limited as at March 27, 1982 and the statements of income and deficit and changes in financial position for the fifty-two weeks then ended, and have obtained all the information and explanations we have required. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements are properly drawn up so as to exhibit a true and correct view of the financial position of the company as at March 27, 1982 and the results of its operations and the changes in its financial position for the fifty-two weeks then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

DOANE RAYMOND
Chartered Accountants

Marystown, Newfoundland
June 24, 1982

MARYSTOWN SHIPYARD LIMITED

Balance Sheet
March 27, 1982

	1982	1981
Assets		
Current		
Receivables (Note 2)	$10,171,055	$ 4,466,131
Unbilled contract revenue	3,056,876	5,068,619
Inventories, at lower of cost and net realizable value	2,047,436	2,340,019
Prepaid expenses	437,076	316,185
	15,712,443	12,190,954
Deferred accounts receivable (Note 3)	339,375	
Land, buildings, wharves and equipment (Note 4)	12,506,362	12,800,921
	$28,558,180	$24,991,875
Liabilities		
Current		
Bank indebtedness (Note 5)	$ 9,371,958	$10,311,774
Payables and accruals	6,492,822	12,520,670
Long term debt payable within one year	895,698	
	16,760,478	22,832,444
Long term (Note 6)	11,063,364	
	27,823,842	22,832,444
Shareholders' Equity		
Capital stock (Note 7)	23,314,000	23,314,000
Deficit	(22,579,662)	(21,154,569)
	734,338	2,159,431
	$28,558,180	$24,991,875

On behalf of the Board:

ALAN BRENTON Director

GILBERT G. GILL Director

MARYSTOWN SHIPYARD LIMITED

Statement of Income and Deficit
Fifty-Two Weeks ended March 27, 1982

	1982	1981
Revenue	$30,779,602	$31,450,027
Production costs		
Labour	11,318,396	11,266,675
Materials	12,138,856	17,550,272
Overhead (Note 8)	6,523,688	5,519,628
Decrease in provision for estimated loss on uncompleted portion of shipbuilding contract		(3,605,765)
	29,980,940	30,730,810
Operating income before interest	798,662	719,217
Interest		
Long term debt	1,710,156	632,885
Operating loan	513,599	1,705,069
	2,223,755	2,337,954
Net loss	1,425,093	1,618,737
Deficit, beginning of year	21,154,569	19,535,832
Deficit, end of year	$22,579,662	$21,154,569

MARYSTOWN SHIPYARD LIMITED

Statement of Changes in Financial Position
Fifty-Two Weeks ended March 27, 1982

	1982	1981
Working capital derived from		
Government grants relating to cost of fixed assets	$	$ 530,100
Sale of equipment	28,832	1,200
Issue of long term debt	11,959,062	
Issue of preference shares		8,000,000
	11,987,894	8,531,300
Working capital applied to		
Operations		
Net loss	1,425,093	1,618,737
Depreciation	(408,899)	(348,816)
	1,016,194	1,269,921
Increase in deferred receivable	339,375	
Purchase of		
Building renovations	19,098	217,512
Equipment	124,074	360,482
Reduction of long term debt	895,698	5,000,000
	2,394,439	6,847,915
Increase in working capital	9,593,455	1,683,385
Working capital deficiency, beginning of year	(10,641,490)	(12,324,875)
Working capital deficiency, end of year	$ (1,048,035)	$(10,641,490)

MARYSTOWN SHIPYARD LIMITED

Notes to Financial Statements

March 27, 1982

1. Accounting policies

(a) Income recognition

Revenues from contracts are recognized on the percentage-of-completion method. Under this method, the percentage-of-completion is determined by relating the actual production costs incurred to date (on a component basis) to the current estimated total production costs for each contract. Until progress on a contract reaches a point where management can determine with reasonable accuracy the estimated final results, revenues are recognized only to the extent of costs incurred. The performance of such contracts may extend over several years and therefore periodic reviews of estimated final revenues and costs are necessary during the term of the contacts. Final contract settlements and periodic reviews may result in revisions to estimated final contract profits or losses which have the effect of including cumulative adjustments to income in the period the revisions are made. Anticipated losses on uncompleted contracts are provided for in full in the period in which the losses become evident.

(b) Production costs

The cost components charged to contracts are direct labour, materials, financing costs directly associated with the contracts and overhead costs, excluding interest. Materials purchased specifically for contracts are charged to production costs at the point the purchases are committed.

(c) Depreciation

Depreciation is recorded on a straight-line basis over the estimated useful life of the assets. The estimated useful life of each major class of asset is as follows:

Buildings	50 years
Wharves	50 years
Equipment	10-50 years

(d) Foreign currency translation

Assets and liabilities that are stated in foreign currencies have been translated at exchange rates in effect at March 27, 1982; income and expenses are translated at average exchange rates during the period. Exchange gains or losses resulting from foreign currency translation are reflected in income.

(e) Government assistance

Government grants relating to the acquisition of assets are deducted from the cost of the asset.

(f) Warranty

The company recognizes the estimated cost of warranty as a component of cost during the performance of the contracts. Adjustments to these estimates are recognized in the period in which they become evident.

2. Receivables

	1982	1981
Trade (less allowance for doubtful accounts $95,000; 1981 $96,575)	$10,086,794	$3,806,131
Current portion of deferred receivable	22,625	
Shipyard Improvement Assistance Program Grant	61,636	660,000
	$10,171,055	$4,466,131

3. Deferred accounts receivable

Trade accounts, receivable in sixteen quarterly instalments of $22,625 commencing in January 1983, less amount receivable within one year.

4. Land, buildings, wharves and equipment

	1982			1981
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	$ 111,950	$ —	$ 111,950	$ 111,950
Buildings	6,168,145	1,447,140	4,721,005	4,813,725
Wharves	5,712,749	1,445,845	4,266,904	4,371,383
Equipment	4,925,310	1,518,807	3,406,503	3,503,863
	$16,918,154	$4,411,792	$12,506,362	$12,800,921

5. **Bank indebtedness**

Bank indebtedness is at prime rate of interest and is secured by a general assignment of book debts, an assignment of inventories and a deficiency guarantee of the Government of Newfoundland and Labrador.

6. Long term debt

Bank of Montreal Demand loan, secured by a first mortgage over certain assets and a deficiency guarantee of the Government of Newfoundland and Labrador repayable in thirty semi-annual instalments of $300,000 commencing in 1982. Interest rates are at prime for years 1 to 5; prime plus 1/4% for years 6 to 10 and prime plus 1/2% for years 11 to 15	$ 9,000,000
Ulstein Trading Ltd. A/S 8 1/2% Note Payable, secured by a guarantee of the Bank of Montreal, repayable in United States dollars, in ten semi-annual instalments, commencing in 1982	812,072
Alpha Diesel A/S 10 1/2% Note Payable, secured by a guarantee of the Bank of Montreal, repayable in ten semi-annual instalments, commencing in 1982	1,679,855
Brusselle Marine Industries 8 1/2% Note Payable, secured by a guarantee of the Bank of Montreal, repayable in convertible Belgian Francs, in ten semi-annual instalments, commencing in 1982	467,135
	11,959,062
Amount payable within one year	895,698
	$11,063,364

Principal payments required during the next five years are as follows: 1983 - $895,698; 1984 - $1,191,397; 1985 - $1,191,397; 1986 - $1,191,397; 1987 - $1,191,397.

7. **Capital stock**

	1982	1981
Authorized		
24,000 6% non-cumulative redeemable non-voting preference shares with par value of $1,000 each 100 common shares with par value of $1,000 each		
Issued and outstanding		
23,311 preference shares	**$23,311,000**	**$23,311,000**
3 common shares	**3,000**	**3,000**
	$23,314,000	**$23,314,000**

8. Overhead expenses

	1982	1981
Administration	$ 734,665	$ 674,576
Depreciation	408,899	348,816
Heat	188,683	133,741
Insurance	513,027	289,299
Maintenance	905,564	877,999
Power	223,102	172,449
Retail sales tax reassessment	194,043	
Security	175,081	132,623
Salaries and benefits	2,265,964	2,048,423
Shop supplies and cleaning	931,239	841,702
	$6,540,267	$5,519,628
Applied to:		
Fixed assets	$ 16,579	$
Production costs	6,523,688	5,519,628
	$6,540,267	$5,519,628

9. Contingent liabilities

(a) A grant of $660,000 received under the Shipbuilding Industry Assistance Program is subject to repayment if the company fails to comply with the terms and conditions of the Program.

(b) The company has received a claim for $470,000 arising in the ordinary course of business. After consultation with its legal advisors the company has denied liability and no significant lost is anticipated.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders
Memorial University of Newfoundland
Building Corporation Limited

I have examined the balance sheet of the Memorial University of Newfoundland Building Corporation Limited as at 31 March 1982 and the statement of revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Memorial University of Newfoundland Building Corporation Limited as at 31 March 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's
23 July 1982

MEMORIAL UNIVERSITY OF NEWFOUNDLAND BUILDING CORPORATION LIMITED

Balance Sheet

31 March 1982

		1982	1981
Assets			
Current assets			
Prepaid expenses		$ 1,256	$ 1,744
Fixed assets, at cost (Note 4)			
Land and improvements		369,843	369,843
Buildings		13,274,109	13,274,109
		13,643,952	13,643,952
Less: Government grant in aid of construction		2,800,914	2,800,914
		10,843,038	10,843,038
Organization expenses		579	579
Debt service fund			
Cash held by the trustee		360,843	360,662
		$11,205,716	$11,206,023
Liabilities			
Current liabilities			
Deferred revenue - per contra		$ 1,256	$ 1,744
Long-term debt due within one year		652,897	613,181
		654,153	614,925
Long-term liability (Notes 2, 3 and 4)			
6 1/4% First Mortgage Bonds, dated 1 November 1959, maturing serially 1 May and 1 November 1969-86		2,625,146	3,278,043
Foreign exchange adjustment account		116,025	116,025
		3,395,324	4,008,993
Shareholders' Equity			
Share capital			
Authorized			
500 common shares of par value of $1,000 each	$500,000		
Issued and fully paid			
72 shares		72,000	72,000
Capital contributions			
Repayment of long-term debt by Province of Newfoundland		7,377,549	6,764,368
Debt service fund		360,843	360,662
		$11,205,716	$11,206,023

See accompanying notes

Signed on behalf of the Board of Directors

PHILIP J. WALL
Director

GILBERT G. GILL
Director

MEMORIAL UNIVERSITY OF NEWFOUNDLAND BUILDING CORPORATION LIMITED

Statement of Revenue and Expenditure
For the year ended 31 March 1982

		1982	1981
Revenue			
Province of Newfoundland			
Rental of buildings		$1,063,676	$1,045,848
Expenditure			
Debt charges			
Payment to trustee for bondholders on account of principal and interest on First Mortgage Bonds:			
Principal	$649,667		
Interest	224,859		
	$874.526 U.S.	1,051,245	1,030,973
Trustee's fees and sundry		4,409	4,413
Fire insurance		8,022	10,462
		$1,063,676	$1,045,848

See accompanying notes

MEMORIAL UNIVERSITY OF NEWFOUNDLAND BUILDING CORPORATION LIMITED

Notes to Financial Statements
For the year ended 31 March 1982

1. **Accounting policies**

   (a) **Fixed assets**

   Fixed assets are not being depreciated but payments of principal and interest on long-term debt are expensed in the financial statements.

   Certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholders and which were paid for by the Lessee, are not included in these financial statements.

   (b) **Rental revenue**

   The rental revenue received from the Province is equal to the annual amount required to be paid on account of principal and interest, and other expenses. Thus, deferred revenue equals prepaid expenses of the Corporation.

2. The 6 1/4% First Mortgage Bonds are stated in Canadian Dollars at the net realization amount at the time of issue. At 31 March 1982 the Canadian equivalent of the outstanding principal amount of $3,384,000 U.S., translated at current exchange rates, was $4,159,274.

3. Principal payments coming due on the 6 1/4% First Mortgage Bonds from 1982-83 to 1986-87 are $674,000; $717,000; $762,000; $808,000 and $423,000 respectively. These payments are in U.S. dollars.

4. Fixed assets have been pledged as security for the long-term debt.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders
Mooring Cove Building Company Limited
St. John's, Newfoundland

I have examined the balance sheet of the Mooring Cove Building Company Limited as at 31 March 1982 and the statement of income and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Company as at 31 March 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
16 December 1982

STATEMENT I

MOORING COVE BUILDING COMPANY LIMITED

Balance Sheet
31 March 1982

		1982	1981
Assets			
Current assets:			
Cash		$ 1,184	$ 1,209
Accrued rent (Note 3)		246,995	251,029
Total current assets		248,179	252,238
Fixed assets, at cost:			
Mooring Cove Fish Processing Plant —			
Land		68,053	68,053
Building, machinery and equipment		9,531,947	9,531,947
		9,600,000	9,600,000
Less: received under lease purchase agreement (Note 2)		2,000,177	1,876,027
Total fixed assets		7,599,823	7,723,973
Total assets		$7,848,002	$7,976,211
Liabilities			
Current liabilities:			
Current portion of long-term debt		$ 132,351	$ 124,150
Accrued interest		246,995	251,029
Total current liabilities		379,346	375,179
Long-term debt: (Note 4)			
Newfoundland Industrial Development Corporation, 6 1/2% demand loan		7,467,472	7,599,823
Total liabilities		7,846,818	7,975,002
Shareholders' Equity			
Share capital:			
Authorized 10,000 common shares of par value of $10 each	$100,000		
Issued and fully paid 30 shares		300	300
Retained earnings		884	909
Total shareholders' equity		1,184	1,209
Total liabilities and shareholders' equity		$7,848,002	$7,976,211

See accompanying notes

Signed on behalf of the Board of Directors:

GILBERT G. GILL
Directo-

PHILIP J. WALL
Director

STATEMENT 2

MOORING COVE BUILDING COMPANY LIMITED

Statement of Income and Retained Earnings
For the year ended 31 March 1982

	1982	1981
Revenue		
Rental of fish processing plant (Note 3)	$496,038	$509,539
Expenditure		
Demand loan interest	496,038	509,539
Miscellaneous expense	25	25
	496,063	509,564
Loss	25	25
Retained earnings, beginning of year	909	934
Retained earnings, end of year	$ 884	$ 909

See accompanying notes

MOORING COVE BUILDING COMPANY LIMITED

Notes to Financial Statements

31 March 1982

1. **Accounting policies**

   (a) **Fixed assets**

   No depreciation has been taken on the fixed assets, however, the principal portion of the rental payments made by the lessee has been applied to reduce the book value of the fixed assets.

   (b) **Rental revenue**

   Rental payments made by the lessee under the lease have been accounted for by the company as follows:

   (i) That portion relating to the amortization of the capital cost of the assets has been applied in reduction of the book value of the fixed assets of the company.

   (ii) That portion relating to interest charges has been treated as revenue.

2. The land and fish processing plant owned by the company and situated at Mooring Cove are leased to Fishery Products Limited for a period of thirty years commencing on 31 March 1976. Annual rental payments required by the lease are equal to the company's annual long-term debt payments of principal and interest and are payable in equal semiannual instalments on 1 April and 1 October in each year. At any time during the term of the lease, Fishery Products Limited has the option to purchase the leased properties as specified in the lease agreement dated 31 March 1976.

3. Accrued rent ($65,117) at 31 March 1982 relating to the amortization of principal for the period 1 October 1981 to 31 March 1982 is not included in the financial statements. This portion of rent will appear in the financial statements of the company in the period in which it is received.

4. Principal payments coming due on the 6 1/2% demand loan from 1982-83 to 1986-87 are $132,351; $141,094; $150,414; $160,350 and $170,942 respectively.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders
Newfoundland and Labrador
Computer Services Limited
St. John's, Newfoundland

I have examined the balance sheet of Newfoundland and Labrador Computer Services Limited as at 31 March 1982 and the statements of income and retained earnings and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at 31 March 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
11 June 1982

STATEMENT 1

NEWFOUNDLAND AND LABRADOR COMPUTER SERVICES LIMITED

Balance Sheet

31 March 1982

		1982	1981
Assets			
Current assets			
Accounts receivable (Note 2)		$1,520,754	$1,223,035
Prepaid expenses and supplies		131,902	93,166
Total current assets		1,652,656	1,316,201
Fixed assets (Note 3)		2,681,514	2,977,382
Deferred charges and other assets, at cost		507,493	441,029
Less: Accumulated amortization and accumulated depreciation		305,647	231,091
		201,846	209,938
Total assets		$4,536,016	$4,503,521
Liabilities and Shareholders' Equity			
Current liabilities			
Bank indebtedness (Note 2)		$ 490,744	$ 56,928
Accounts payable and accrued liabilities		330,262	455,254
Deferred revenue		6,349	15,859
Current portion of long-term debt		175,946	734,148
Total current liabilities		1,003,301	1,262,189
Long-term debt, less current portion (Notes 2 and 4)		2,190,263	2,328,620
Shareholders' equity			
Share capital			
Authorized 100 common shares, par value of $100 each	$100,000		
Issued and fully paid 3 shares		300	300
Retained earnings		1,342,152	912,412
		1,342,452	912,712
Total liabilities and shareholders' equity		$4,536,016	$4,503,521

See accompanying notes

Signed on behalf of the Board

Dr. D. Rendell, Chairman

H.S. Miller, President

STATEMENT 2

NEWFOUNDLAND AND LABRADOR COMPUTER SERVICES LIMITED

Statement of Income and Retained Earnings
For the year ended 31 March 1982

	1982	1981
Operating revenue (Schedule 1)	$8,404,799	$7,302,791
Operating expenses (Schedule 1)	6,792,456	5,366,893
Operating income	1,612,343	1,935,898
Gain (loss) on disposal of fixed assets	(4,259)	688
	1,608,084	1,936,586
Other charges		
- depreciation	642,016	1,149,000
- amortization	2,489	10,541
- interest - on long-term debt	483,489	500,987
- other	50,350	13,699
	1,178,344	1,674,227
Net income for the year	429,740	262,359
Retained earnings, beginning of year	912,412	650,053
Retained earnings, end of year	$1,342,152	$ 912,412

See accompanying notes

STATEMENT 3

NEWFOUNDLAND AND LABRADOR COMPUTER SERVICES LIMITED

Statement of Changes in Financial Position
For the year ended 31 March 1982

	1982	1981
Funds provided:		
Net income for the year	$ 429,740	$ 262,359
Add (deduct) items not resulting in an inflow or outflow of funds:		
Depreciation	642,016	1,149,000
Amortization	2,489	10,541
Loss (gain) on disposal of fixed assets	4,259	(688)
Funds from operations	1,078,504	1,421,212
Increase in long-term debt	42,290	—
Proceeds on disposal of fixed assets	1,826	3,850
Total funds provided	1,122,620	1,425,062
Funds applied:		
Additions to fixed assets	277,423	136,829
Increase in deferred charges and other assets - net	69,207	181,674
Reduction of long-term debt	180,647	1,170,674
Total funds applied	527,277	1,489,177
Increase (decrease) in working capital	595,343	(64,115)
Working capital - beginning of year	54,012	118,127
Working capital - end of year	$ 649,355	$ 54,012
Represented by:		
Current assets	$1,652,656	$1,316,20[illegible]
Current liabilities	1,003,301	1,262,189
	$ 649,355	$ 54,012

See accompanying notes

SCHEDULE 1

NEWFOUNDLAND AND LABRADOR COMPUTER SERVICES LIMITED

Schedule of Operating Revenue and Expenses
For the year ended 31 March 1982

	1982	1981
Operating Revenue		
Computer time	$4,389,860	$3,684,469
Systems and programming	2,265,319	2,125,539
Data preparation	490,334	460,643
Production control and file charges	669,008	575,689
Other	590,278	456,451
	$8,404,799	$7,302,791
Operating Expenses		
Salaries	$4,355,690	$3,678,071
Fringe benefits	341,212	279,838
Rent - computer equipment	1,051,740	578,662
Rent - office equipment	21,564	—
Data processing operating supplies	250,202	211,929
Stationery and office supplies	53,017	64,306
Moving and delivery charges	20,949	16,687
Repairs and maintenance	318,126	271,666
Travelling	48,723	40,470
Telephone and telegrams	55,296	50,037
Light and power	75,424	60,695
Staff training	49,578	29,475
Insurance	15,496	18,567
Advertising and publicity	14,680	9,128
Membership and subscriptions	16,189	11,069
General	59,057	45,318
Research and development	44,028	—
Professional fees	1,485	975
	$6,792,456	$5,366,893

See accompanying notes

NEWFOUNDLAND AND LABRADOR COMPUTER SERVICES LIMITED

Notes to Financial Statements
For the year ended 31 March 1982

1. **Accounting policies**

(a) **Fixed assets**

All fixed assets are capitalized at cost at the time of acquisition. Depreciation is calculated by the straight-line method based on the expected future life of all assets as follows:

Computer equipment	36 to 56 months
Office furniture and equipment	36 to 120 months
Building	240 months
Automotive equipment	36 months

(b) **Deferred charges and other assets**

All deferred charges and other assets are capitalized at cost at the time of acquisition. Depreciation is calculated by the straight-line method over a 36 month period with the exception of employee relocation expenses which are amortized over a 20-month period beginning 4 months after commencement of employment.

(c) **Allowance for doubtful accounts**

Due to the financial relationship between the Province of Newfoundland and the Corporation there will not be material bad debt losses, therefore, no allowance for doubtful accounts has been provided for in these financial statements.

(d) **Income taxes**

The Corportion is a Crown Corporation and, as such, is not subject to either Provincial or Federal income taxes.

2. The accounts receivable have been assigned as security for all bank indebtedness.

3. **Fixed assets**

	Cost	Accumulated Depreciation	Net Book Value 1982	Net Book Value 1981
Computer equipment	$3,230,996	$2,999,603	$ 231,393	$ 404,238
Office furniture and equipment	893,800	482,064	411,736	430,511
Building	2,631,944	608,207	2,023,737	2,133,101
Automotive equipment	18,673	4,025	14,648	9,532
	$6,775,413	$4,093,899	$2,681,514	$2,977,382

4. Long-term debt, less current portion

	Interest Rate	Year of Maturity	Balance 1982	Balance 1981
Bank of Montreal				
Building	Prime	1997 (A)(D)(E)	$2,085,773	$2,229,620
Furniture	Prime + 1/2%	1987 (B)(D)(E)	81,000	99,000
Mini computer	Prime + 1/4%	1985 (C)(E)	23,490	—
			$2,190,263	$2,328,620

(A) This bank indebtedness is repayable in fixed monthly payments on principal of $11,987 plus interest.

(B) This bank indebtedness is repayable in fixed monthly payments on principal of $1,500 plus interest.

(C) This bank indebtedness is repayable in fixed monthly payments on principal of $1,175 plus interest.

(D) Secured by a letter of undertaking from the Province of Newfoundland to the effect that the Province will ensure that sufficient funds will be available to the Corporation to meet its debt charges on these loans.

(E) Secured by assignment of fire insurance.

It is estimated that principal repayments of long-term debt over the next five years will be as follows:

Year ending 31 March 1983	$175,946
1984	175,946
1985	171,236
1986	161,846
1987	161,876

AUDITOR'S REPORT

To: The Shareholders Of Newfoundland and Labrador
Development Corporation Limited:—

We have examined the balance sheet of Newfoundland and Labrador Development Corporation Limited as at 31st March 1982 and the statements of revenue and expenses, and changes in loan and equity funds for the year then ended. Our examination was made in accordance with generaly accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at 31st March 1982 and the results of its operations and the changes in its loan and equity funds for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

COOPERS & LYBRAND
Chartered Accountants

St. John's, Newfoundland
26th April 1982

NEWFOUNDLAND AND LABRADOR DEVELOPMENT CORPORATION LIMITED

Balance Sheet
As at 31st March 1982

	1982	1981
Assets		
Loan and Equity Investments (note 2)	20,420,365	18,065,367
Cash and Short-Term Deposits	5,511,200	6,594,538
Accounts Receivable (note 3)	310,215	84,178
	$26,241,780	24,744,083
Liabilities		
Accounts Payable	41,280	43,583
Long-Term Debt (note 4)	26,200,000	24,700,000
	26,241,280	24,743,583
Shareholders' Equity		
Capital Stock		
Authorized —		
500 common shares of $1 each		
Issued and fully paid —		
500 common shares	500	500
	$26,241,780	24,744,083

Signed on behalf of the Board

F. NOLAN Director

T. GRIMES Director

NEWFOUNDLAND AND LABRADOR DEVELOPMENT CORPORATION LIMITED

Statement of Revenue and Expenses
For the year ended 31st March 1982

	1982	1981
Operating Grants (note 6)		
Government of Canada	152,408	645,987
Province of Newfoundland	152,408	645,987
	304,816	1,291,974
Investment Income		
Interest		
Loans	2,089,205	1,858,219
Short-term	1,060,423	570,928
	3,149,628	2,429,147
Dividends	78,041	37,885
	3,227,669	2,467,032
Total Revenue	3,532,485	3,759,006
Other Expenses		
Provision for bad debts	215,824	944,059
Interest	2,335,802	1,914,008
	2,551,626	2,858,067
Net Income Before Operating Expenses	980,859	900,939
Operating Expenses		
Advertising and promotion	20,473	21,432
Asset acquisitions		
Office furniture and equipment	4,606	2,259
Vehicles	16,272	11,831
Audit	5,000	8,500
General and office	31,793	31,521
Library	11,085	11,281
Office premises and equipment	90,551	81,792
Other	8,946	10,160
Outside services	54,381	34,965
Publications	12,720	(869)
Salaries and benefits	623,316	588,846
Telephone and telex	35,586	39,455
Travel	54,052	45,947
Vehicle operation	12,078	13,819
	980,859	900,939
Net Income	$ —	—

NEWFOUNDLAND AND LABRADOR DEVELOPMENT CORPORATION LIMITED

Statement of Changes in Loan and Equity Funds

For the year ended 31st March 1982

	1982	1981
Changes in Loan and Equity Investments		
Loans advanced to clients	4,731,712	4,166,085
Purchase of equity investments	19,000	70,000
	4,750,712	4,236,085
Loan repayments	2,041,304	2,133,340
Provision for losses on loans	116,510	665,916
Disposal of equity investments	77,300	66,600
Provision for losses on equity investments	83,000	100,000
	2,318,114	2,965,856
Net Additions In Investments	$2,432,598	1,270,229
Financed By:		
Government of Canada Loans	1,500,000	3,000,000
Reimbursements from government for bad debts written off	563,820	948,275
Net change in other assets and liabilities	(498,736)	368,894
	1,565,084	4,317,169
Increase (decrease) in cash and short-term deposits	(1,083,338)	2,102,881
Increase in loan and equity investments recoverable	215,824	944,059
	(867,514)	3,046,940
	$2,432,598	1,270,229

NEWFOUNDLAND AND LABRADOR DEVELOPMENT CORPORATION LIMITED

Notes to Financial Statements
For the year ended 31st March 1982

1. **Accounting Policies**

Loan and Equity Investments
Investments in loans and shares are recorded at cost.

Operating Grants
Operating grants are provided equally by the Government of Canada and the Province of Newfoundland to the extent that interest expense on borrowed funds, bad debts written off and operating expenses exceed investment income.

Fixed Assets
Fixed asset additions, net of proceeds from disposals, are expensed in the year of purchase.

2. **Loan and Equity Investments**
Loans, equity investments and interest receivable are analyzed by specific account and those amounts which are judged to be doubtful are disclosed below. The allowance is not provided for on the balance sheet as it is recoverable jointly from the Government of Canada and the Province of Newfoundland. Funds are not receivable from the government bodies until such time as the debt is actually written off.

At the balance sheet date the loans and equity investments are as follows:

	1982	1981
Loans	19,003,585	16,782,933
Preferred shares	748,400	859,700
Interest	668,380	422,734
	$20,420,365	18,065,367

The allowance for doubtful accounts consists of the following:

	1982	1981
Loans	784,568	1,137,814
Preferred shares	145,300	115,300
Interest on loans	8,788	33,537
	$ 938,656	1,286,651

3. **Accounts Receivable**

	1982	1981
Government of Canada	16,584	—
Province of Newfoundland	213,044	33,850
Other	80,587	50,328
	$ 310,215	84,178

4. Long-Term Debt

The Corporation is funded by the Government of Canada for the purpose of making loans, and by the Province of Newfoundland for equity investments.

Government of Canada:

Interest Rate %	Maturity Date	1982	1981
8.375	17th June 1987	2,000,000	2,000,000
8.375	13th April 1987	1,500,000	1,500,000
9.250	21st October 1988	10,000,000	10,000,000
9.250	28th December 1988	1,000,000	1,000,000
10.125	26th March 1989	1,000,000	1,000,000
10.125	29th March 1989	2,000,000	2,000,000
10.000	27th September 1989	1,000,000	1,000,000
11.875	24th January 1990	1,000,000	1,000,000
11.875	30th March 1990	500,000	500,000
12.875	29th January 1991	1,000,000	1,000,000
13.750	30th March 1991	2,000,000	2,000,000
18.375	29th October 1991	500,000	—
15.500	30th March 1992	1,000,000	—
		24,500,000	23,000,000
Province of Newfoundland: Non-interest bearing loan with no fixed terms of repayment or maturity date		1,700,000	1,700,000
		$26,200,000	24,700,000

5. Commitments

As of 31st March 1982, the Corporation has outstanding commitments in respect of approved undisbursed loans of $4,224,849 and equity investments of $15,000.

6. Operating Grants

	1982	1981
Government of Canada	326,406	648,095
Province of Newfoundland	326,406	648,095
	652,812	1,296,190
Less - Bad debts written off	563,820	1,056,477
Recovery of prior year's bad debts written off	—	(108,202)
Bad debts reimbursed by government	563,820	948,275
Provision for bad debts	(215,824)	(944,059)
Net decrease in allowance for doubtful accounts	347,996	4,216
Operating grants	$ 304,816	1,291,974

7. Leases

The Corporation has leased premises until 31st October 1982 at an annual rental, subject to escalation clauses, of $118,000.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Chairman and Members
of the Newfoundland and Labrador
Housing Corporation

I have examined the balance sheet of the Newfoundland and Labrador Housing Corporation as at 31 March 1982 and the statements of operations and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at 31 March 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied, after giving retroactive effect to the integration as explained in Note 11 to the financial statements, on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
8 October 1982

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION

Index to Financial Statements
31 March 1982

Balance Sheet	**Statement 1**
Statement of Operations	**Statement 2**
Statement of Changes in Financial Position	**Statement 3**

STATEMENT 1

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION

Balance Sheet
31 March 1982

	1982 000's	1981 000's
Assets		
Cash	$ 274	$ 715
Accounts receivable (Note 2)	12,663	12,328
Government of Newfoundland and Labrador (Note 3)	5,346	942
Mortgages and loans receivable	70,859	61,825
Land assemblies	24,724	23,407
Rental properties (Note 4)	94,823	93,112
Total assets	$208,689	$192,329
Liabilities		
Bank loan and overdraft	$ 9,779	$ 8,488
Accounts payable	1,927	1,487
Holdbacks and security deposits payable	577	676
Mortgages, debentures, and similar indebtedness (Note 6)	121,318	112,424
Total liabilities	133,601	123,075
Equity		
Province of Newfoundland and Labrador	75,088	69,254
Total liabilities and equity	$208,689	$192,329

See accompanying notes

Signed on behalf of the Corporation

A.J. GOSS
Chairman

W.P. MILLER
Member

STATEMENT 2

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION

Statement of Operations

For the year ended 31 March 1982

	1982 000's	1981 000's
Revenue		
Interest	$12,694	$ 9,656
Rent	11,359	10,263
Canada Mortgage and Housing Corporation contribution to cost-shared programs	10,990	9,191
Administrative charges to capital projects and rental units operating	4,838	3,112
Gain (loss) on sale of rental properties	327	(755)
Other income	229	120
	40,437	31,587
Grant - Government of Newfoundland and Labrador	8,388	6,101
	$48,825	$37,688
Expenditure		
Administration (Note 7)	$ 8,935	$ 6,352
Rental unit expenses (Note 8)	25,498	22,680
Interest expense	6,940	5,016
Residential land assembly subsidies	4,198	1,379
Mortgage subsidies	1,629	975
Rent supplement subsidies	1,092	885
Allowance for losses on mortgages and loans receivable	245	162
Home ownership grants	288	239
	$48,825	$37,688

See accompanying notes

STATEMENT 3

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION

Statement of Changes in Financial Position - Cash Basis

For the year ended 31 March 1982

	1982 000's	1981 000's
Financial resources were provided by:		
Capital investment by the Government of Newfoundland and Labrador	$ 5,834	$ 1,497
Capital investment by Canada Mortgage and Housing Corporation in Mortgage Lending Program	6,429	6,348
Increase in bank loan and overdraft	1,291	—
Increase in mortgages and debentures payable	2,465	756
Increase in accounts payable	341	—
Excess of sales over expenditure in land assembly projects	—	2,709
	16,360	11,310
Financial resources were used for:		
Reduction in bank loan and overdraft	—	293
Reduction in accounts payable	—	162
Increase in accounts receivable	4,739	1,294
Increase in mortgages and loans receivable	9,034	6,613
Reduction in Government of Newfoundland and Labrador DREE debentures	—	742
Excess of expenditure over sales in land assembly projects	1,317	—
Excess of expenditure over sales of rental housing projects	1,711	1,999
	16,801	11,103
Increase (decrease) in cash during year	(441)	207
Cash on hand, beginning of year	715	508
Cash on hand, end of year	$ 274	$ 715

See accompanying notes

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION

Notes to Financial Statements
31 March 1982

1. Accounting policies

    a. Land assemblies

    Investment in land assemblies is valued at cost less proceeds from sales, DREE grants and Canada Mortgage and Housing Corporation's 75% share where applicable.

    b. Rental housing

    Rental housing is valued at cost less Canada Mortgage and Housing Corporation's 75% share where applicable. Depreciation is calculated over the estimated useful life at the method and rates as outlined in Note 4.

    c. Vehicles, furniture and equipment

    Vehicles, furniture and equipment are expensed in the year of acquisition.

    d. Capitalization of costs

    Carrying charges consisting primarily of interest, including imputed interest on the Corporation's equity and administrative charges attributable to properties under development, are capitalized as part of the cost thereof.

2. Accounts receivable

	1982 000's	1981 000's
Canada Mortgage and Housing Corporation	$11,543	$10,650
Rents	600	600
Miscellaneous	928	1,604
	13,071	12,854
Less: Allowance for doubtful accounts	408	526
	$12,663	$12,328

3. The Government of Newfoundland and Labrador is charged with operating deficits incurred by Newfoundland and Labrador Housing Corporation and credited with annual grants voted by the legislature. This treatment has resulted in an accumulation of operating grants in excess of operating deficits as at 31 March 1982.

	1982 000's	1981 000's
Accounts receivable	$ 8,792	$ 3,941
Less: Excess of accumulated grants over operating deficits		
Balance beginning of year	2,999	3,184
Operating grants current year	8,835	5,916
Operating deficit current year	(8,388)	(6,101)
Balance end of year	3,446	2,999
Net balance due from Province	$ 5,346	$ 942

4. Depreciation as referred to in Note 1(b) is calculated as follows:

Class and Method of Depreciation	1982 Cost 000's	1982 Accumulated Depreciation 000's	1982 Net Book Value 000's	1981 Net Book Value 000's
Homes for needy, 25 years straight line	$ 1,648	$ 554	$ 1,094	$ 1,283
Provincial Goverment houses, 50 years straight line	1,936	321	1,615	1,662
Corporation owned houses, sinking fund various rates or 2% declining balance	38,000	5,174	32,826	33,311
Land leased to businesses (Note 5)	1,263	—	1,263	1,263
Federal/Provincial housing projects, sinking fund various rates	59,008	983	58,025	55,593
	$101,855	$7,032	$94,823	$93,112

5. Land leased to businesses

The recorded value of land leased to businesses is comprised of two amounts:

	1982	1981
The historical value of leases signed at varying times between 1947-1966	$ 918,530	$ 918,530
Amounts outstanding under an option agreement to purchase the land	344,638	344,638
	$1,263,168	$1,263,168

The original cost of the leased land was charged to expenditure.

6. Mortgages, debentures and similar indebtedness

	1982 000's	1981 000's
a. Bank of Montreal mortgages	$ 617	$ 656
b. Canadian Imperial Bank of Commerce mortgages and loans	11,030	8,420
c. Canadian Mortgage and Housing Corporation mortgages	2,885	2,912
d. Canada Mortgage and Housing Corporation debentures	49,466	49,535
e. Canada Mortgage and Housing Corporation advances re. Rural Home Ownership Mortgage Program	50,478	44,049
f. Government of Newfoundland and Labrador advances under the Department of Regional and Economic Expansion Program (Government of Canada)	932	1,502
g. Government of Newfoundland and Labrador	5,910	5,350
	$121,318	$112,424

Corporation owned housing units have been pledged as security for mortgages and loans totalling $6,712,004 at 31 March 1982.

Principal repayments for the next five years on long-term debt are as follows:

1983 — $305,000
1984 — 337,000
1985 — 374,000
1986 — 414,000
1987 — 460,000

Principal repayment on $50,478,000 of the Canada Mortgage and Housing Corporation liability which represent advances re. Rural Home Ownership Mortgage Program will be related to future principal recoveries of related mortgages receivable.

7. Administration expenditure

	1982 000's	1981 000's
Salaries and employee benefits	$ 6,688	$ 4,590
Travel and vehicle expense	535	485
Rent, heat, light, cleaning and maintenance	695	413
Office supplies and equipment	149	141
Telephone and postage	263	195
Shop and office equipment	172	135
Collection charges and credit reports	65	54
Computer system charges	152	138
General	216	201
	$ 8,935	$ 6,352

8. Rental unit expenses

	1982 000's	1981 000's
Heat, light and operating	$ 2,854	$ 2,471
Repairs and maintenance	5,385	5,312
Administration	2,352	1,844
Insurance and municipal taxes	1,953	1,931
Amortization, interest and depreciation	12,799	11,015
Bad debts	155	107
	$25,498	$22,680

9. The Corporation is contingently liable for amounts totalling $18,400,000 comprised of uncompleted construction under contract at year end amounting to $8,600,000, commitments under Mortgage Lending Programs amounting to $9,550,000, and commitments to various municipalities for grants under the Neighbourhood Improvement Program amounting to $250,000.

10. The Corporation participates in the Provincial Government Pension Plan at a cost of 6% of employee earnings less Canada Pension Plan contributions.

11. Prior year's restatement

During the year the St. John's Housing Corporation and the St. John's Housing Authority were integrated with the Newfoundland and Labrador Housing Corporation. Current year's figures reflect the operations and financial position of the integrated body. Prior year's figures have been restated to include the assets, liabilities, revenue and expenditure of all three entities.

AUDITORS' REPORT

We have examined the consolidated balance sheet of Newfoundland and Labrador Hydro as at December 31, 1982 and the consolidated statements of income, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation as at December 31, 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

PEAT, MARWICK, MITCHELL & CO.
Chartered Accountants

St. John's, Newfoundland
Canada
March 4, 1983

Newfoundland and

Consolidated
(in thousands

Assets

	December 31	
	1982	1981
Fixed assets (Note 2)		
Property, plant and equipment	$1,689,593	1,559,960
Current assets		
Cash and term deposits	116,668	83,308
Receivables	38,254	33,824
Fuel and supplies at average cost	24,932	25,633
Prepaid expenses	1,346	1,587
	181,200	144,352
Long-term receivable (Note 3)	7,843	7,843
Investment in Twin Falls Power Corporation Limited (Note 4)	2,859	2,987
Lower Churchill option (Note 5)	5,200	5,200
Deferred charges	19,344	18,096
	$1,906,039	1,738,438

Labrador Hydro

Balance Sheet
of dollars)

	December 31	
	1982	1981
Liabilities and Shareholder's Equity		
Long-term debt (Notes 7 and 8)	$1,425,472	1,296,820
Current liabilities		
Promissory notes	—	5,300
Accounts payable and accrued liabilities	50,144	37,974
Accrued interest	30,227	25,724
Long-term debt due within one year	38,662	39,208
	119,033	108,206
Provision for water equalization	21,217	14,641
Minority interest in Churchill Falls (Labrador) Corporaton Limited	83,073	81,752
Minority interest in Lower Churchill Development Corporation Limited	14,750	14,750
Shareholder's equity		
Share capital		
Common shares of par value of $1 each. Authorized 25,000,000 shares; issued 22,503,942 shares	22,504	22,504
Contributed capital (Note 5)		
Lower Churchill Development	15,400	15,400
Muskrat Falls Project	2,816	2,673
Gull Island Project	100,000	100,000
Retained earnings	101,774	81,692
	242,494	222,269
	$1,906,039	1,738,438

See accompanying notes

On behalf of the Board:

JANET C. GARDINER
Director

EDWARD M. HEARN
Director

Newfoundland and Labrador Hydro

Consolidated Statements
Income and Changes in Financial Position
(in thousands of dollars)

Income

	For the year ended December 31	
	1982	1981
Revenue		
Energy sales	$225,037	195,624
Rentals and royalties	5,300	5,874
Other	2,246	1,816
	232,583	203,314
Expenses		
Operation, transmission and administration	48,071	40,407
Fuels (Note 10)	40,177	17,469
Depreciation	22,438	22,133
Interest (Note 11)	91,241	91,720
	201,927	171,729
Net income before minority interest	30,656	31,585
Minority interest	10,574	13,024
Net income for the year	$ 20,082	18,561

Retained Earnings

Balance at beginning of year	$ 81,692	63,131
Net income for the year	20,082	18,561
Balance at end of year	$101,774	81,692

Changes in Financial Position

Funds provided		
From operations		
Net income	$ 20,082	18,561
Add items not requiring working capital		
Depreciation	22,438	22,133
Amortization	1,638	1,219
Minority interest	10,574	13,024
Other	5,622	5,768
Total	60,354	60,705
Proceeds of long-term debt	174,072	163,876
Contributed capital		
Lower Churchill Development	—	5,100
Muskrat Falls	143	2,673
Dividends received from Twin Falls Power Corporation	1,025	938
Minority investment in Lower Churchill Development Corporation Limited	—	4,900
Miscellaneous	987	435
	$236,581	238,627

Funds applied		
Additions to fixed assets	$152,777	113,512
Reductions in long-term debt	45,966	43,694
Dividends paid by a subsidiary to a minority interest	9,253	10,511
Miscellaneous	3,110	2,870
	211,106	170,587
Changes in working capital exclusive of changes in current portion of long-term debt		
Decrease in short-term debt	5,300	27,690
Net increase - other	20,175	40,350
	$236,581	238,627

See accompanying notes

NEWFOUNDLAND AND LABRADOR HYDRO

Notes to Consolidated Financial Statements

December 31, 1982

Newfoundland and Labrador Hydro ("Hydro") is incorporated under a special act of the Legislature of the Province of Newfoundland (the "Province") as a Crown corporation and its principal activity is the development, generation and sale of electric power. Hydro and its subsidiary companies are exempt from paying income taxes under Section 149 (1) (d) of the Income Tax Act.

1. Summary of Significant Accounting Policies

The consolidated financial statements have been prepared in conformity with generally accepted accounting principles as established in Canada.

Rates and regulations (excluding sales by subsidiaries)

The rates charged by Hydro, excluding sales by subsidiaries, are governed by the Electrical Power Control Act (the "Act"). Under the Act, Hydro is required to charge rates to all its customers designed "to recover the cost of service provided by it and a margin of profit sufficient to achieve and maintain a sound financial position so it is able to achieve and maintain a sound credit rating in the financial markets of the world".

Rates proposed for utility customers are subject to public hearings, following which the Board of Commissioners of Public Utilities (the "PUB") recommends rates to the Provincial Government (the "Government"). If the Government does not change the rates recommended by the PUB within 15 days, the recommended rates become effective. Should the Government approve rates which are lower than those recommended by the PUB, the Act requires the Government to enter into financial and other arrangements as may be necessary to enable Hydro to conform to the policy quoted above. The Government has accepted all rate recommendations of the PUB to date. Rates to industrial customers, compatible with the Act, are set by the Board of Directors of Hydro. The PUB has determined that Hydro's net income from operations should provide coverage of from 1.15 times to 1.25 times its gross interest cost in order to achieve the profit margin required by the Act. The coverage from operations in 1982 was 1.22 (1981 1.21).

Principles of consolidation

The consolidated balance sheet includes the accounts of Hydro and those of its subsidiary companies, Churchill Falls (Labrador) Corporation Limited ("CF(L)Co"), (65.8% owned), Gull Island Power Company Limited ("GIPCo"), (100% owned) and Lower Churchill Development Corporation Limited ("LCDC"), (51% owned).

CF(L)Co is incorporated under the laws of Canada and has completed and commissioned a hydroelectric generating plant and related transmission facilities situated in Labrador and having a rated capacity of 5,225,000 kilowatts ("kW") (the "CF(L)Co Project").

The excess of cost of the investment in CF(L)Co ($77,148,000) over the equity in the book value of the net assets acquired is assigned to property, plant and equipment and is being written off on a straight line basis at the rate of 1 1/2% per annum. As at December 31, 1982 $9,257,000 (1981 $8,100,000) had been written off.

Under the terms and conditions of the Churchill Falls (Labrador) Corporation (Lease) Act, 1961, (the "Lease"), CF(L)Co must pay rentals and royalties to the Province annually. These rentals and royalties have been assigned to Hydro.

A portion of Hydro's shareholding in CF(L)Co is deposited in a voting trust pursuant to an agreement with Hydro-Quebec.

GIPCo is incorporated under the laws of Canada and was established with the objective of developing the hydroelectric potential at Gull Island on the Lower Churchill River in Labrador, and of constructing a direct current transmission system from Labrador to the island of Newfoundland (the "Gull Island Project"), (see Note 5).

LCDC is incorporated under the laws of Newfoundland and was established with the objective of developing all or part of the hydroelectric potential of the Lower Churchill River (the "Lower Churchill Development"), (see Note 5).

CF(L)Co owns voting control (66 2/3%) of Twin Falls Power Corporation Limited ("TWINCo"), but only a 33 1/3% equity interest, and as the principal assets and credit resources of TWINCo cannot be transferred to CF(L)Co, consolidation is not considered appropriate and the investment is carried on an equity basis.

Fixed assets and depreciation

Expenditures for additions, improvements and renewals are capitalized and normal expenditures for maintenance and repairs are charged to operations.

Hydro, GIPCo and LCDC

Plant under construction includes the costs incurred in preliminary feasibility studies, engineering and construction of new generation, transmission and distribution facilities. Interest is charged to plant under construction at rates equivalent to the weighted average cost of the most recent funds borrowed. The average rate for the year ended December 31, 1982 was 15 2/5% (1981 13 1/5%).

Depreciaton is calculated on hydroelectric generating plant and on transmission plant in service on the sinking fund method using interest factors ranging from 5 1/4% to 15 2/3%. Depreciatoin on other plant in service is calculated on the straight-line method. These methods are designed to fully amortize the cost of the facilities, after deducting grants in aid of construction, over their estimated service lives.

Estimated service lives of the major assets are as follows:

Generation	
Hydroelectric	50, 75 and 100 years
Thermal electric	25 and 30 years
Diesel electric	20 years
Transmission	
Lines	40 and 50 years
Switching stations	40 years
Distribution System	30 years

CF(L)Co

Depreciation is provided for at a rate of 1 1/2% per annum on a straight-line basis.

Deferred charges

Deferral of major repairs

Major repairs of an extraordinary or non-recurring nature are deferred and amortized to income over a five-year period commencing in the year in which they are incurred. The PUB has accepted the inclusion of these charges in determining Hydro's regulated rates.

Debt discount and financing expenses

These costs are, in general, amortized on a straight-line basis over the lives of the respective debt issues.

Provision for water equalization

In order to equalize the effect on generation cost due to fluctuations in water availability, Hydro charges or credits fuel expense in the income statement annually with an amount calculated to adjust generation costs to an average annual water condition. The calculation is based on historical water flow data compiled over a period of 33 years. The offsetting debit or credit is included in the water equalization provision account. This practice has been accepted by the PUB in determining Hydro's regulated rates.

Foreign currencies

Foreign currency accounts are stated in Canadian dollars on the following bases:

(a) current assets and liabilities, excluding the current portion of long-term debt, at the rate of exchange prevailing at the balance sheet date;

(b) long-term debt at the exchange rates prevailing when the debt was incurred. No recognition is given in the accounts to unrealized gains or losses;

(c) all other assets and any related depreciation at rates in effect at the time of the transaction; and.

(d) gains or losses arising on the translation of, or conversion to, foreign currencies are included with interest in the statement of income.

2. Fixed Assets

	1982 (000)	1981 (000)
Hydro		
Property, plant and equipment, at cost	$ 616,270	585,750
Less grants in aid of construction	69,812	69,987
	546,458	515,763
Less accumulated depreciation	46,409	38,119
	500,049	477,644
Plant under construction	234,046	115,429
	734,095	593,073
GIPCo		
Gull Island Project, at cost (Note 5)	99,363	99,326
CF(L)Co (a)		
Property, plant and equipment, at cost	961,679	960,190
Less accumulated depreciation	128,393	114,329
	833,286	845,861
LCDC		
Capital studies (Note 5)	22,849	21,700
	$1,689,593	1,559,960

(a) CF(L)Co assets are pledged as security for its long-term debt.

3. Long-Term Receivable

This receivable is collectible from the Province, without interest, in each year, to the extent that the current year-end balance of the "Provision for water equalization" (see Note 1) falls below the current year-end balance of the long-term receivable.

4. Investment in Twin Falls Power Corporation Limited

	1982 (000)	1981 (000)
Shares, at cost	$ 2,500	2,500
Equity in retained earnings at beginning of year	487	423
Equity in net income for the year	897	1,002
Dividends for the year	(1,025)	(938)
	$ 2,859	2,987

5. Lower Churchill Development

LCDC was incorporated in 1978 pursuant to the provisions of an agreement (the "Principal Agreement"), between the Province and the Government of Canada. The Province and the Government of Canada own equity interested of 51% and 49% of LCDC, respectively, the Principal Agreement provides that future issues of Class A common shares shall preserve, as nearly as possible, this ratio of beneficial ownership. Hydro is the designate for the Province's shareholding in LCDC.

Upon agreement to continue with the Lower Churchill Development, GIPCo's assets and the hydroelectric development rights to the Lower Churchill River, (the "Water Rights"), will be acquired by LCDC pursuant to the provisions of an agreement between LCDC and the Province, (the "Option Agreement"), dated November 24, 1978, and expiring May 24, 1984. The Option Agreement stipulates that the purchase price in respect of GIPCo's assets will be a maximum of $100,000,000 less the amount of $5,200,000 representing the par value of 520 Class A common shares of LCDC issued pursuant to the signing of the Option Agreement. As consideration for GIPCo's assets, LCDC will issue a 10% Convertible Demand Debenture in the amount of $94,800,000. LCDC will issue 3,000 Class B common shares, having a par value of $10,000 each, to the Province in consideration of the Water Rights and the Province will transfer such shares to Hydro. It is not anticipated that there will be any loss upon sale of GIPCo's assets to LCDC.

Hydro has acquired 1,540 Class A common shares of LCDC which have a par value of $10,000 each. 520 shares were acquired in 1979 pursuant to signing of the Option Agreement and 510 shares were acquired at par in each of the years 1980 and 1981, by way of capital contributions from the Province.

The Province provided funds to Hydro in 1981, by way of capital contributions, in order ot provide for the protection of the Muskrat Falls natural dam.

In 1980, the LCDC Board of Directors issued a report to the shareholders recommending development of the Muskrat Falls site and the transmission of this power to the island of Newfoundland. While no project release has been given, a plan to advance the engineering studies for the transmission system was approved and completed by April 1982.

6. Power Distribution District

Hydro administers the activities of the Power Distribution District of Newfoundland and Labrador ("PDD"), a statutory corporation of the Province. PDD is responsible for the generation and distribution of electricity to its customers in certain remote rural communities. Hydro finances all capital requirements of PDD and manages PDD's operating responsibilities and is fully reimbursed for all costs associated with serving the PDD customers.

7. Long-Term Debt

	Hydro (000)	CF(L)Co (000)	1982 Total (000)	1981 Total (000)
Summary of long-term debt				
Bonds, notes and debentures	$ 761,604	562,667	1,324,271	1,181,140
Bank loan	12,892	—	12,892	25,784
Government of Canada loans	88,309	—	88,309	89,896
Total long-term debt	$ 862,805	$562,667	1,425,472	1,296,820

At December 31, 1982 it is estimated that repayments of long-term debt over the next five years will be as follows:

	(000)
1983	$38,700
1984	40,900
1985	56,500
1986	51,100
1987	78,400

Based on exchange rates in effect at December 31, 1982, after giving effect to foreign exchange cost sharing arrangements provided for in the contract between CF(L)Co and Hydro-Quebec (the "Power Contract"), the approximate amount required to discharge foreign currency debt obligations recorded in the accounts in Canadian dollars at $850,000,000 would be $908,000,000 (1981, as $756,000,000 would be $811,000,000).

Details of long-term debt are as follows:

Hydro

Bonds, notes and debentures, redeemable at the option of Hydro at various times and at various rates, none of which exceeds 102 1/4% of par.

Interest Rate %	Year of Maturity	1982 (000)	1981 (000)	
5 1/4	1990 (U.S. $20,080,000)	$ 21,673	23,702	(a)
7 3/4	1993 (U.S. $25,000,000)	26,773	26,773	(b)
9	1994 (U.S. $11,400,000)	12,255	12,739	
9 3/4	1986 (U.S. $23,107,000)	22,750	22,750	
8 1/8	1992	15,000	15,000	(b)
8 7/8	1999	20,000	20,000	(b)
10 3/4	1995	25,000	25,000	(b)
5	1985 (Sw. Fr. 75,000,000)	28,286	28,286	(c)
10 1/4	2001	30,000	30,000	(b)
10	2002	30,000	30,000	(b)
10 Series J	2002	35,000	35,000	(b)
10 1/4 Series K	2001	35,000	35,000	(b)
10 Series L	2003	40,000	40,000	(b)
9 7/8	1994 (U.S. $50,000,000)	57,797	57,797	
11 1/4 Series M	1999	75,000	75,000	(b)
13 3/8 Series N	2001	75,000	75,000	(b)
17 1/4	1989 (U.S. $75,000,000)	88,876	88,876	
15 1/8	1992 (U.S. $100,000,000)	124,072	—	
15 1/4 Series Q	1987	50,000	—	
		812,482	640,923	
Less sinking funds		43,546	32,247	
		768,936	608,676	
Less payments due within one year		7,332	7,332	
		$ 761,604	601,344	

(a) Secured by an assignment of amounts receivable under a power contract.

(b) A sinking fund has been established for this issue.

(c) The interest rate on this loan will be adjusted periodically and the loan may be repaid in full on any interest adjustment date.

Bank loan

This loan, in the amount of $25,784,000 (U.S. $26,000,000) (1981 $38,676,000 (U.S. $39,000,000)), including the current portion, is repayable in two equal annual instalments and currently bears interest at 10 1/2%. The interest rate is adjusted periodically and is based upon the London interbank offered rate. Hydro may repay the loan in whole or in part on any interest adjustment date. The current portion as at December 31, 1982 was $12,892,000 (1981 $12,892,000).

Government of Canada loans

These loans, in the aggregate amount of $89,896,000 (1981 $91,380,000), including the current portions, bear interest at various rates from 5 1/4% to 8 1/2% and each loan is repayable following the completion date of the related facility, by thirty or forty equal annual instalments including interest. The years of maturity of these loans range from between 2003 and 2014, and the current portion as at December 31, 1982 was $1,587,000 (1981 $1,484,000).

CF(L)Co

	1982 (000)	1981 (000)
First Mortgage Bonds 7 3/4% Series A due December 15, 2007 (U.S. $430,822,000)	$442,262	456,722
7 7/8% Series B due December 15, 2007	43,136	44,534
General Mortgage Bonds 7 1/2% due three years after latest maturity of any First Mortgage Bonds	94,120	96,040
	579,518	597,296
Less payments due within one year	16,851	17,500
	$562,667	579,796

The First Mortgage Bonds, Series A and B, are repayable in fixed semi-annual and in contingent annual sinking fund instalments which commenced in June 1978. (See Note 12 (a) (ii) for discussion of possible prepayment.)

The Deed of Trust and Mortgage securing the General Mortgage Bonds provides for semi-annual sinking fund payments which commenced in June 1980. Each payment will be an amount equal to 1% of the aggregate principal amount outstanding on January 1 preceeding each payment date. The General Mortgage Bonds are subordinate to the First Mortgage Bonds.

8. Guarantees by the Province

The Province has unconditionally guaranteed the principal and interest on Hydro's long-term debt, except for the Swiss franc loan and the debt of CF(L)Co.

9. Sales of Power, CF(L)Co

The Power Contract provides for the sale of substantially all of the energy from the CF(L)Co Project for an initial period of approximately 40 years, until 2016, with a renewal for a further period of 25 years. Hydro-Quebec and CF(L)Co implemented an increase in rates during 1981 without prejudice to the right of either party in further negotiations or in a judicial review of the Final Capital Cost pursuant to the provisions of the Power Contract. The rate increase was based upon a determination by an independent auditor that the Final Capital Cost of the project, which had previously been estimated at $879,804,000, is $887,575,000. Legal Counsel have been instructed to institute proceedings against Hydro-Quebec claiming that the Final Capital Cost is the maximum, $900,000,000 permitted by the Power Contract. These proceedings commenced in February 1983.

10. Fuel Expense

In 1982 Hydro incurred $3,000,000 additional fuel costs due to a power canal failure at the Hinds Lake hydro generating facility. The additional fuel costs are included as fuel expense in 1982.

11. Interest Expense

	1982 (000)	1981 (000)
Gross interest	$152,007	129,767
Amortization of debt discount and financing expense	1,380	1,026
Exchange loss on sinking fund transactions and retirement of debt	6,542	5,383
	159,929	136,176
Less:		
Recovered from:		
Hydro-Quebec (a)	22,123	19,921
PDD	2,916	1,602
Interest during construction	20,934	7,573
Interest earned	22,715	15,360
	$ 91,241	91,720

(a) Under the terms of the Power Contract, CF(L)Co recovers the difference between interest calculated at the rates prescribed in the Power Contract and interest paid on the long-term debt of CF(L)Co.

Also, CF(L)Co can require Hydro-Quebec to make additional advances, against the issue of units of Subordinate Debentures and shares of common stock, to service its debt and to cover its expenses if funds are not otherwise available.

12. Commitments and Contingent Liabilities

(a) (i) CF(L)Co, (together with Hydro-Quebec and the trustees for CF(L)Co's bondholders), is defending a legal action which began in 1976 and concerns a request made by the Province to CF(L)Co, pursuant to Clause 2(e) of Part I of the Lease, (see note 1), for the supply by CF(L)Co of 800,000 kW of power commencing in 1983. The trial of this action concluded July 8, 1982 and judgement was reserved. It is not possible at this time to indicate the outcome of this legal proceeding.

(ii) In 1980 the Province enacted The Upper Churchill Water Rights Reversion Act (the "Legislation"). The Government stated that the Legislation was introduced because of the lack of satisfactory progress in relation to its abovementioned request for 800,000 kW of power, and that the purpose of the Legislation is to repeal the Lease which granted CF(L)Co the right to develop the Upper Churchill River. The Legislation provides that, subject to the conditions described below, it will come into force on a date to be proclaimed by the Government.

The Government referred the Legislation to the Newfoundland Supreme Court, Court of Appeal (the "Reference") for an opinion on its constitutional validity. The Province of Quebec, Hydro-Quebec, CF(L)Co and trustees of the bondholders of CF(L)Co intervened in the Reference to contest the validity of the Legislation. A hearing with respect to the issues involved concluded on October 23, 1981 and, on March 5, 1982 the Newfoundland Court of Appeal rendered its unanimous opinion that the Legislation is constitutionally valid. This opinion was appealed to the Supreme Court of Canada and a hearing concluded on October 1, 1982, at which time, judgement was reserved. It is not possible at this time to indicate the outcome of this legal proceeding. The Government has stated that the Legislation will not come into force until the Supreme Court of Canada has rendered its opinion on the matter.

If the Legislation comes into force, the rights given to CF(L)Co under the Lease will be rescinded and the hydroelectric works attached to the land held under the Lease will revest in Her Majesty in Right of the Province of Newfoundland. Thereafter, CF(L)Co will not have any rights under the Lease nor will it own the hydroelectric works attached to the land and consequently will be unable to use the water of the Upper Churchill River to generate electricity for export from the Province or for any other purpose.

The Legislation provides for the payment of all CF(L)Co indebtedness secured by way of mortgage, lien, debenture or other encumbrance against the rights, privileges, liberties or interests referred to in the Lease. The Legislation also provides that the shareholders of CF(L)Co may elect to be compensated for any reduction in the value of their common shares, subject to the conditions contained in the Legislation. Furthermore, it is the Government's stated intention that the Legislation will not come into force until all arrangements have been made for the payment in full or all the secured indebtedness of CF(L)Co.

(iii) In June 1977, Hydro-Quebec commenced an action against CF(L)Co and the Government in the Superior Court in Montreal to obtain a declaration as to certain rights and obligations of the parties under the Power Contract. This action was dismissed on preliminary points of law in August 1977. The Court of Appeal of the Province of Quebec reversed the decision of the lower court and this decision was appealed by CF(L)Co and the Government to the Supreme Court of Canada which rendered its judgement on August 9, 1982. The Supreme Court of Canada decided that Hydro-Quebec could proceed against CF(L)Co, but not the Government. Hydro-Quebec filed an amended motion seeking a declaration as to its rights under the Power Contract should CF(L)Co comply with the Government request referred to in Note 12(a)(i). It is anticipated that this matter will be heard in the Superior Court in Montreal in March 1983.

(b) Under the terms of a sublease with TWINCo, CF(L)Co is required to deliver to TWINCo, at an agreed price, horsepower equivalent to the installed horsepower of the TWINCo plant and to maintain in good working order, TWINCo's plant and equipment. The sublease expires on December 31, 1989 and has a 25-year renewal option subject to certain conditions.

The Legislation has specifically assured that the rights of TWINCo to power are protected notwithstanding the loss of rights by CF(L)Co to use the water of the Upper Churchill basin to generate electricity.

(c) Proceedings have been instituted by CF(L)Co against contractors for damages resulting from the reduction in revenue due to premature failure of certain generating units. Settlement of this matter is currently under negotiation.

(d) Hydro is defending claims instituted by various companies with respect to construction costs, outages and plant shutdowns. In the aggregate, these claims amount to approximately $20,200,000 (1981 $800,000). It is not possible at this time to indicate the outcome of these claims.

(e) Hydro's employees are covered by the Province's Public Service Pension Plan to which contributions are made equally by Hydro and its employees. CF(L)Co has two pension plans, one for its salaried and one for its hourly paid employees. Both CF(L)Co plans are fully funded and managed by a trustee. Based on the most recent actuarial valuation each CF(L)Co plan is in a surplus position.

(f) Contractual commitments as at December 31, 1982 total approximately $148,000,000 (1981 $43,000,000). The total cost of major projects presently under construction and to be completed by 1985 is estimated to be $582,500,000 which includes $164,600,000 for the Upper Salmon Project which came into service on January 20, 1983.

13. Subsequent Event

On March 1, 1983 Hydro made a referral to the PUB for a rate increase to utility customers of 19%, or the equivalent of a 9% increase at the consumer level, with these rates to come into effect on July 1, 1983.

14. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To His Honour the Lieutenant-Governor
in Council

I have examined the balance sheet of Newfoundland Farm Products Corporation as at 31 March 1982 and the statements of income, deficit and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at 31 March 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
7 October 1982

NEWFOUNDLAND FARM PRODUCTS CORPORATION

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31 March 1982

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Schedule of Cost of Goods Processed - St. John's Schedule 1
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NEWFOUNDLAND FARM

Balance
31 March

	1982	1981
Assets		
Current assets:		
Cash	$ 1,000	$ 41,980
Term deposits	175,000	300,000
Accounts receivable: (Note 3)		
Trade	1,045,185	989,903
Province of Newfoundland	—	400,000
Other	8,062	26,520
	1,053,247	1,416,423
Less: Allowance for doubtful accounts	90,474	72,134
	962,773	1,344,289
Inventories: (Note 3)		
Finished goods, at the lower of average cost or net realizable value	819,874	562,607
Materials and supplies, at the lower of cost or replacement cost	283,225	225,026
	1,103,099	787,633
Prepaid expenses	62,073	35,871
Total current assets	2,303,945	2,509,773
Fixed assets: (Note 2)		
Property, plant and equipment	7,736,871	5,129,268
Less: Contributions —		
Province of Newfoundland	6,215,203	3,936,757
Department of Regional Economic Expansion	1,009,539	713,340
	7,224,742	4,650,097
Net cost	512,129	479,171
Less: Accumulated depreciation	336,914	283,077
	175,215	196,094
Construction in progress	760,464	3,045,276
Total fixed assets	935,679	3,241,370
Total assets	$3,239,624	$5,751,143

STATEMENT 1

PRODUCTS CORPORATION

Sheet
1982

	1982	1981
Liabilities and Equity		
Current liabilities:		
Bank overdraft	$ 246,132	$ —
Bank loan (Note 3)	242,000	—
Accounts payable and accrued liabilities	896,111	1,605,593
Total current liabilities	1,384,243	1,605,593
Deferred capital grant	—	1,560
Total liabilities	1,384,243	1,607,153
Equity		
Equity capital	1,450,000	1,200,000
Contributed capital - Province of Newfoundland	911,311	3,237,966
	2,361,311	4,437,966
Deficit	505,930	293,976
	1,855,381	4,143,990
Total liabilities and equity	$3,239,624	$5,751,143

See accompanying notes

Signed on behalf of the Corporation

J.E. McDONALD
President

E.P. GRIFFIN
Director

STATEMENT 2

NEWFOUNDLAND FARM PRODUCTS CORPORATION

Statement of Deficit
For the year ended 31 March 1982

	1982	1981
Deficit, beginning of year		
As previously reported	$293,976	$282,231
Prior period adjustment — assessment of prior year's retail sales tax	—	21,620
As restated	293,976	303,851
Loss (net income) for the year	211,954	(9,875)
Deficit, end of year	$505,930	$293,976

See accompanying notes

STATEMENT 3

NEWFOUNDLAND FARM PRODUCTS CORPORATION

Statement of Income
For the year ended 31 March 1982

	St. John's	Corner Brook	1982 Total	1981 Total
Sales	$9,664,676	$3,915,226	$13,579,902	$10,797,260
Cost of goods sold:				
Opening inventory of finished goods	333,320	229,287	562,607	302,152
Add: Saleable product purchases	195,210	—	195,210	188,189
Cost of goods processed (Schedules 1 and 2)	9,507,878	5,747,820	15,255,698	12,844,828
Transfer of finished goods	726,604	(726,604)	—	—
	10,763,012	5,250,503	16,013,515	13,335,169
Less: Closing inventory of finished goods	502,553	317,321	819,874	562,607
	10,260,459	4,933,182	15,193,641	12,772,562
Gross loss	595,783	1,017,956	1,613,739	1,975,302
Operating expenses:				
Marketing and sales	515,672	252,557	768,229	579,859
General and administrative	250,391	135,479	385,870	345,798
	766,063	388,036	1,154,099	925,657
Gross operating loss	$1,361,846	$1,405,992	2,767,838	2,900,959
Other income				
Profit from other operations			6,676	20,915
Facilities and equipment rental			13,270	9,468
Interest income			6,223	—
Service charges			37,310	28,854
Miscellaneous			2,217	635
Gain on disposal of fixed assets			250	4,144
			65,946	64,016
Other expenses				
Exterior repairs - buildings			26,533	—
Subsidy to egg producers			—	10,331
Assistance to other agricultural operations			29,756	24,969
Retroactive pay			174,331	—
Interest expense			5,013	1,430
Obsolete material write-off			—	1,005
Strike expenses			74,989	52,356
Miscellaneous			1,000	3,091
			311,622	93,182
Operating loss for the year			3,013,514	2,930,125
Less: Province of Newfoundland - operating grant			2,800,000	2,940,000
- other grants			1,560	—
			2,801,560	2,940,000
Loss (net income) for the year			$ 211,954	$ (9,875)

See accompanying notes

STATEMENT 4

NEWFOUNDLAND FARM PRODUCTS CORPORATION

Statement of Changes in Financial Position
For the year ended 31 March 1982

	1982	1981
Source of funds		
Operations		
Net income	$ —	$ 9,875
Depreciation	—	55,492
Gain on disposal of fixed assets	—	(4,144)
	—	61,223
Proceeds on disposal of fixed assets	250	4,650
Increase in equity capital	250,000	—
Increase in capital contributions applied against fixed assets	2,578,127	68,480
Increase in contributed capital — Province of Newfoundland	—	200,037
	2,828,377	334,390
Use of funds		
Operations		
Loss	211,954	—
Depreciation	(53,837)	—
Gain on disposal of fixed assets	250	—
Decrease in deferred revenue	1,560	—
	159,927	—
Decrease in contributed capital — Province of Newfoundland	2,326,655	—
Additions to fixed assets	326,273	520,602
	2,812,855	520,602
Increase (decrease) in working capital	15,522	(186,212)
Working capital - beginning of year	904,180	1,090,392
Working capital - end of year	$ 919,702	$ 904,180

See accompanying notes

SCHEDULE 1

NEWFOUNDLAND FARM PRODUCTS CORPORATION

Schedule of Cost of Goods Processed - St. John's
For the year ended 31 March 1982

	Pork	Poultry	Cured Products	1982 Total	1981 Total
Purchases	$3,180,143	$3,976,083	$224,484	$7,380,710	$6,503,264
Direct labor	286,645	593,933	116,283	996,861	820,516
Packaging material	115,218	175,666	45,097	335,981	249,128
Depreciation	1,781	20,209	—	21,990	20,290
Repairs and maintenance materials	57,007	55,555	20,597	133,159	108,268
Factory supplies	17,653	24,992	1,381	44,026	40,649
Water, power and steam	54,374	61,642	—	116,016	99,268
Transportation	—	113,687	—	113,687	95,017
	3,712,821	5,021,767	407,842	9,142,430	7,936,400
Allocation of indirect factory expense	145,631	209,073	10,744	365,448	336,636
Cost of goods processed (to Statement 3)	$3,858,452	$5,230,840	$418,586	$9,507,878	$8,273,036

See accompanying notes

SCHEDULE 2

NEWFOUNDLAND FARM PRODUCTS CORPORATION

Schedule of Cost of Goods Processed - Corner Brook
For the year ended 31 March 1982

	Pork	Poultry	1982 Total	1981 Total
Purchases	$407,240	$3,509,134	$3,916,374	$3,100,530
Direct labor	73,724	749,382	823,106	655,832
Packaging material	12,650	204,110	216,760	163,485
Repair and maintenance materials	3,014	74,540	77,554	61,252
Factory supplies	10,195	23,782	33,977	21,277
Transportation	—	102,094	102,094	108,637
	506,823	4,663,042	5,169,865	4,111,013
Allocation of indirect factory expense	52,536	525,419	577,955	460,779
Cost of goods processed (to Statement 3)	$559,359	$5,188,461	$5,747,820	$4,571,792

See accompanying notes

NEWFOUNDLAND FARM PRODUCTS CORPORATION

Notes to Financial Statements
31 March 1982

1. **Accounting policies**

(a) Funds received from the Province of Newfoundland for working capital purposes are treated as a reduction of the operating loss for the year.

(b) Fixed assets are being depreciated under the declining balance method at the rates indicated in Note 2.

(c) The balance sheet does not include fixed assets owned by the Province of Newfoundland and used by the Corporation in the operations of the abattoir, cold storage, poultry killing and processing plants, located in St. John's. The Province does not charge any rent to the Corporation for the use of these buildings. All improvements to these buildings are expensed in the Corporation's financial statements.

(d) Indirect factory expenses, selling and shipping expenses and corporate administrative expenses are allocated to cost centers based on production pounds.

					1982	1981
	Rates	Cost	Contributed Assets	Accumulated Depreciation	Net Book Value	Net Book Value
2. Fixed assets						
Land	—	$ 265,072	$ 265,072	$ —	$ —	$ —
Buildings	5%	4,654,140	4,651,566	683	1,891	1,991
Machinery and equipment	20%	993,241	745,203	133,668	114,370	111,385
Office furniture and equipment	20%	48,938	—	32,800	16,138	18,790
Automotive equipment	30%	444,785	237,169	165,809	41,807	62,665
Agricultural facilities	20%	1,330,695	1,325,732	3,954	1,009	1,263
		$7,736,871	$7,224,742	$336,914	$175,215	$196,094

3. **Security for bank loan**

The inventory and accounts receivable have been pledged as security for the bank loan.

4. **Comparative figures**

Certain of the 1981 financial statement figures have been reclassified to conform with the 1982 financial statement presentation.

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders
The Newfoundland Government Building
Corporation Limited
St. John's, Newfoundland

I have examined the balance sheet of the Newfoundland Government Building Corporation Limited as at 31 March 1982 and the statement of income, and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the corporation as at 31 March 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
3 December 1982

NEWFOUNDLAND GOVERNMENT

Balance
31 March

	1982	1981
Assets		
Current assets:		
Account receivable	$ —	$ 1,128
Prepaid expenses	36,013	34,395
	36,013	35,523
Fixed assets, at cost: (Note 4)		
Land and improvements	1,328,387	1,328,387
Confederation Building	9,093,458	9,093,458
	10,421,845	10,421,845
Less: Government grant in aid of construction	1,807,066	1,807,066
	8,614,779	8,614,779
Organization expense	1,293	1,293
Interest and sinking fund held by trustee	407,250	392,560
Total assets	$9,059,335	$9,044,155

STATEMENT 1

BUILDING CORPORATION LIMITED
Sheet
1982

		1982	1981
Liabilities			
Current liabilities:			
Account payable		$ —	$ 1,128
Deferred revenue - per contra		36,013	34,395
Current portion of long-term debt		525,853	495,034
		561,866	530,557
Long-term debt: (Notes 2, 3 and 4)			
6% First Mortgage Bonds callable 15 April and 15 October 1960-85		1,455,245	1,981,097
Foreign exchange adjustment		28,746	28,746
Total liabilities		2,045,857	2,540,400
Shareholders' Equity			
Share capital:			
Authorized:			
500 common shares of par value $1,000 each	$500,000		
Issued and fully paid:			
400 shares		400,000	400,000
Capital contributions:			
Repayment of long-term debt by Province of Newfoundland		6,205,253	5,710,220
Retained earnings		975	975
Interest and sinking fund balance		407,250	392,560
Total shareholders' equity		7,013,478	6,503,755
Total liabilities and shareholders' equity		$9,059,335	$9,044,155

See accompanying notes

Signed on behalf of the Board of Directors

Gilbert G. Gill
Director

Philip J. Wall
Director

STATEMENT 2

NEWFOUNDLAND GOVERNMENT BUILDING CORPORATION LIMITED

Statement of Income and Retained Earnings
For the year ended 31 March 1982

		1982	1981
Income			
Province of Newfoundland:			
Rental of Confederation Building		$816,035	$790,831
Expenditure			
Debt charges:			
Payments to trustee for bondholders on account of principal and interest on First Mortgage Bonds:			
Principal	$527,750		
Interest	133,040		
	$660,790 U.S.	794,314	777,091
Fire insurance		13,499	11,221
Trustee's fees and sundry		8,222	2,519
		816,035	790,831
Net income		—	—
Retained earnings, beginning of year		975	975
Retained earnings, end of year		$ 975	$ 975

See accompanying notes

NEWFOUNDLAND GOVERNMENT BUILDING CORPORATION LIMITED

Notes to Financial Statements
For the year ended 31 March 1982

1. **Accounting policies**

   (a) **Fixed assets**

   Fixed assets are not being depreciated but payments of principal and interest on long-term debt are expensed in the financial statements.

   Certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholders and which were paid for by the Lessee, are not included in these accounts.

   (b) **Rental revenue**

   The rental revenue received from the Province is equal to the annual amount required to be paid on account of principal and interest, and other expenses. Thus deferred revenue equals prepaid expenses of the Corporation.

2. The First Mortgage Sinking Fund Bonds are stated in Canadian dollars at the net realized amount at the date of issue. At 31 March 1982 the Canadian equivalent of the outstanding principal amount of $2,057,000 U.S., translated at current exchange rates, was $2,520,250.

3. Principal payments coming due on the 6% First Mortgage Bonds from 1983 to 1986 are $546,000, $579,000, $613,000, and $319,000 respectively. These payments are in U.S. dollars.

4. The fixed assets have been pledged as security for the long-term debt.

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AUDITORS' REPORT

To the Shareholders of Newfoundland Hardwoods Limited

We have examined the balance sheet of Newfoundland Hardwoods Limited as at October 31, 1982 and the statements of income (loss), retained earnings and changes in working capital for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at October 31, 1982 and the results of its operations and the changes in its working capital for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

WALTERS, HOPPE & CO.
Chartered Accountants

Clarenville, Newfoundland
December 24, 1982

NEWFOUNDLAND HARDWOODS LIMITED

Balance Sheet
October 31, 1982

	1982	1981
Assets		
Current assets:		
Cash and term deposits	$ 226,145	10,535
Receivables (Note 2)	4,243,240	4,229,296
Inventories (Note 3)	6,941,128	8,396,307
Prepaid expenses	16,962	15,011
Total current assets	11,427,475	12,651,109
Property and equipment, at cost less accumulated depreciation (Note 4)	5,444,966	5,731,196
	$16,872,441	18,382,345
Liabilities and Shareholders' Equity		
Current liabilities:		
Bank loan and overdrafts (Note 5)	$ 2,594,922	2,567,086
Accounts payable and accrued liabilities (Note 6)	1,733,869	2,760,590
Total current liabilities	4,328,791	5,327,676
Shareholders' equity:		
Common shares of $100. each par value. Authorized 1,000 shares; issued and fully paid, 253 shares	25,300	25,300
Retained earnings, per accompanying statement	10,862,935	11,277,472
Appraisal increase credits (Note 7)	1,655,415	1,751,897
Total shareholders' equity	12,543,650	13,054,669
	$16,872,441	18,382,345

See accompanying notes to the financial statements

Approved:

C.G. GRANTER Director

R. VERGE Director

NEWFOUNDLAND HARDWOODS LIMITED

Statement of Retained Earnings
Year ended October 31, 1982

	1982	1981
Retained earnings, beginning of year	$11,277,472	11,792,804
Net income (loss) for year, per accompanying statement	(511,019)	(118,323)
Amortization of appraisal increase credits (Note 7)	96,482	102,991
	10,862,935	11,777,472
Dividends paid during year	—	500,000
Retained earnings, end of year	$10,862,935	11,277,472

See accompanying notes to the financial statements

NEWFOUNDLAND HARDWOODS LIMITED

Statement of Income (Loss)

Year ended October 31, 1982

	1982	1981
Sales	$16,625,584	17,230,282
Cost of sales:		
Inventory - finished goods, beginning of year	3,269,895	2,918,929
Cost of goods manufactured	16,096,948	16,551,178
	19,366,843	19,470,107
Inventory - finished goods, end of year	3,845,190	3,269,895
	15,521,653	16,200,212
Gross profit	1,103,931	1,030,070
Other income (Note 8)	18,825	63,842
	1,122,756	1,093,912
Operating expenses:		
Administrative salaries and benefits	577,415	535,361
Shipping and receiving	176,004	192,136
Equipment leasing	13,554	14,964
Advertising	37,319	22,122
Stationery and office supplies	15,901	19,762
Telephone	33,744	27,566
Provision for doubtful receivables	160,921	13,475
Travel	69,216	81,343
Professional and consulting fees	33,922	31,913
Miscellaneous	15,165	40,517
Interest and bank charges	500,614	233,076
Total operating expenses	1,633,775	1,212,235
Net income (loss)	$ (511,019)	$ (118,323)

See accompanying notes to the financial statements

NEWFOUNDLAND HARDWOODS LIMITED

Statement of Changes in Working Capital
Year ended October 31, 1982

	1982	1981
Source of working capital:		
From operations:		
Net income (loss)	$ —	(118,323)
Depreciation (Note 1)	—	295,827
	—	177,504
Proceeds from disposal of property and equipment	10,202	2,833
Total working capital provided	10,202	180,337
Application of working capital:		
To operations:		
Net income (loss)	511,019	—
Depreciation (Note 1)	(363,750)	—
	147,269	—
Purchase of property and equipment	87,722	162,935
Payment of dividends	—	500,000
Total working capital applied	234,991	662,935
Increase (decrease) in working capital	(224,789)	(482,598)
Working capital, beginning of year	7,323,473	7,806,071
Working capital, end of year	$7,098,684	7,323,473

See accompanying notes to the financial statements

NEWFOUNDLAND HARDWOODS LIMITED

Notes to the Financial Statements
October 31, 1982

1. Summary of accounting policies:

(a) Inventories:

The company values its inventories at the lower of cost and net realizable value.

(b) Depreciation:

Fenco Consultants Limited completed an evaluation of the property and equipment of the St. John's division in October, 1977 and the accounting records have been adjusted to record accumulated depreciation equal to the reduction in the value of property and equipment from cost to current value at the date of the appraisal. Depreciation has been calculated on a straight line basis over the estimated remaining useful life of the assets as determined by the consultants at October, 1977.

Land in St. John's has been adjusted to agree with a valuation determined by management.

Fenco Consultants Limited completed an evaluation of the property and equipment of the Clarenville division in March, 1980 and the accounting records have been adjusted to record appraisal increase credits equal to the increase in value of the property and equipment from cost to the current value at the date of the appraisal. Depreciation has been calculated in 1980 and thereafter on a straight-line basis based upon the estimated remaining useful life of the assets as determined by the consultants at March, 1980.

Gains and losses on disposals of property and equipment are shown as adjustments to the total depreciation for the year.

(c) Appraisal increase credits are amortized to retained earnings as realized through depreciation or disposals.

2. Receivables:

	1982	1981
Trade	$4,261,158	4,254,738
Other	5,954	4,833
	4,267,112	4,259,571
Less allowance for doubtful receivables	23,872	30,275
	$4,243,240	4,229,296

3. Inventories:

	1982	1981
Raw materials	$2,930,372	4,959,533
Goods in process	14,788	25,711
Finished goods	3,845,190	3,269,895
Supplies	150,778	141,168
	$6,941,128	8,396,307

4. **Property and equipment:**

	1982			1981
	Carrying Value	Accumulated Depreciation	Net Book Value	Net Book Value
Land	$ 170,314	—	170,314	170,314
Land improvements	209,554	22,784	186,770	150,398
Buildings	2,210,424	935,002	1,275,422	1,304,494
Wharf	566,812	68,017	498,795	521,467
Machinery and equipment	4,207,099	1,137,117	3,069,982	3,293,782
Furniture and fixtures	28,443	9,475	18,968	29,839
Vehicles	308,338	83,623	224,715	260,902
	$7,700,984	2,256,018	5,444,966	5,731,196

5. **Bank loans and overdrafts:**

	1982	1981
Current account overdrafts	$ 18,922	46,086
Bank demand loan	2,576,000	2,521,000
	$2,594,922	2,567,086

Bank loan is secured by:

(a) General assignment of book debts

(b) Assignment of inventories to a value of $4,500,000. covering all woods, plywood, furniture, creosote, asphalt, including raw materials, goods in process of manufacture, and finished goods.

(c) Assignment of fire insurance.

6. **Accounts payable and accrued liabilities:**

	1982	1981
Trade payables	$1,187,474	2,237,765
Payroll deductions	42,194	55,880
Pension contributions	96,793	82,822
Federal and Provincial sales tax	181,290	191,757
Customer deposits	—	104,270
Accrued wages	37,037	50,572
Other accrued liabilities	189,081	37,524
	$1,733,869	2,760,590

7. Appraisal increase credits represents the excess of the appraised value of property and equipment of the Clarenville division over the depreciated cost as determined by Fenco Consultants Limited in March, 1980.

	1982	1981
Total appraisal increase credits	$1,951,780	1,951,780
Less amortized to retained earnings to date	296,365	199,883
	$1,655,415	1,751,897

8. **Other income:**

	1982	1981
Steam sales	$ 7,385	25,455
Miscellaneous sales	11,440	38,387
	$ 18,825	63,842

NEWFOUNDLAND

Balance
October 31

Assets

Current assets:
Cash and term deposits. . . . .
Receivables, net of allowance for
doubtful receivables . . . .
Inventories, at lower of cost and
net realizable value . . . .
Prepaid expenses . . . .
Total current assets . . . .

Property and equipment, at cost less
accumulated depreciation . . . .

Liabilities and Shareholders' Equity

Current liabilities:
Bank loans and overdrafts. . . . .
Accounts payable and accrued liabilities . . . .
Total current liabilities. . . . .

Shareholders' equity:
Common shares of $100. each par value
Authorized 1,000 shares; issued and
fully paid, 253 shares . . . .

Retained earnings (deficit):
Opening balance . . . .
Net income (loss) . . . .
Amortization of appraisal increase credits . . . .

Interbranch account . . . .

Dividends paid during year. . . . .

Appraisal increase credits. . . . .
Total shareholders' equity . . . .

HARDWOODS LIMITED

Sheet
1982

1982			1981		
St. John's	Clarenville	Combined	St. John's	Clarenville	Combined
$ 8,122	218,023	226,145	$ 1,800	8,735	10,535
300,575	3,942,665	4,243,240	672,925	3,556,371	4,229,296
1,207,753	5,733,375	6,941,128	2,238,634	6,157,673	8,396,307
4,328	12,634	16,962	4,472	10,539	15,011
1,520,778	9,906,697	11,427,475	2,917,831	9,733,318	12,651,149
1,798,314	3,646,652	5,444,966	1,937,571	3,793,625	5,731,196
$ 3,319,092	13,553,349	16,872,441	$ 4,855,402	13,526,943	18,382,345
$ 2,579,226	15,696	2,594,922	$ 2,548,502	18,484	2,567,086
133,532	1,600,337	1,733,869	453,030	2,307,560	2,760,590
2,712,758	1,616,033	4,328,791	3,001,632	2,326,044	5,327,676
25,300	—	25,300	25,300	—	25,300
(15,080,224)	26,357,696	11,277,472	(13,849,756)	25,642,560	11,792,804
(1,624,825)	1,113,806	(511,019)	(730,468)	612,145	(118,323)
—	96,482	96,482	—	102,991	102,991
(16,705,049)	27,567,984	10,862,935	(14,580,224)	26,357,696	11,777,472
17,286,083	(17,286,083)	—	16,908,694	(16,908,694)	—
581,034	10,281,901	10,862,935	2,328,470	9,449,002	11,777,472
—	—	—	500,000	—	500,000
581,034	10,281,901	10,862,935	1,828,470	9,449,002	11,277,472
—	1,655,415	1,655,415	—	1,751,897	1,751,897
606,334	11,937,316	12,543,650	1,853,770	11,200,899	13,054,669
$ 3,319,092	13,553,349	16,872,441	$ 4,855,402	13,526,943	18,382,345

"Supplementary Financial Information"

NEWFOUNDLAND HARDWOODS LIMITED

Statement of Income (Loss) - St. John's
Year ended October 31, 1982

	1982	1981
Sales	$ 2,734,587	3,282,306
Cost of sales:		
Inventory - finished goods, beginning of year	1,148,302	1,133,150
Cost of goods manufactured	2,860,673	3,418,981
	4,008,975	4,552,131
Inventory - finished goods, end of year	671,014	1,148,302
	3,337,961	3,403,829
Gross profit (loss)	(603,374)	(121,523)
Other income	8,079	25,623
	(595,295)	(95,900)
Operating expenses:		
Administrative salaries and benefits	193,098	181,889
Shipping and receiving	41,396	43,617
Equipment leasing	13,554	14,964
Advertising	37,319	22,122
Stationery and office supplies	7,469	10,138
Telephone	15,684	12,892
Provision for doubtful receivables	155,086	13,360
Travel	31,715	44,311
Professional and consulting fees	19,495	18,456
Miscellaneous	15,165	40,517
Interest and bank charges	499,549	232,[illegible]02
Total operating expenses	1,029,530	634,568
Net income (loss)	$(1,624,825)	(730,468)

"Supplementary Financial Information"

NEWFOUNDLAND HARDWOODS LIMITED

Statement of Income - Clarenville
Year ended October 31, 1982

	1982	1981
Sales	$13,890,997	13,947,976
Cost of sales:		
Inventory - finished goods, beginning of year	2,121,593	1,785,779
Cost of goods manufactured	13,236,275	13,132,197
	15,357,868	14,917,976
Inventory - finished goods, end of year	3,174,176	2,121,593
	12,183,692	12,796,383
Gross profit	1,707,305	1,151,593
Other income	10,746	38,219
	1,718,051	1,189,812
Operating expenses:		
Administrative salaries and benefits	384,317	353,472
Shipping and receiving	134,608	148,519
Stationery and office supplies	8,432	9,624
Telephone	18,060	14,674
Provision for doubtful receivables	5,835	115
Travel	37,501	37,032
Professional and consulting fees	14,427	13,457
Interest and bank charges	1,065	774
Total operating expenses	604,245	577,667
Net income	$ 1,113,806	612,145

"Supplementary Financial Information"

NEWFOUNDLAND HARDWOODS LIMITED

Cost of Goods Manufactured - St. John's

Year ended October 31, 1982

	1982	1981
Raw materials used:		
Inventory, beginning of year	$1,053,931	1,348,899
Purchases	1,303,971	2,239,218
	2,357,902	3,588,117
Inventory, end of year	516,328	1,053,931
	1,841,574	2,534,186
Direct labour and benefits	500,367	487,389
Manufacturing expenses:		
Indirect labour	83,710	79,385
Fuel	135,602	139,121
Light and power	54,075	52,129
Insurance	32,850	25,820
Supplies	9,211	4,913
Repairs and maintenance	57,693	45,020
Depreciation	134,668	58,821
	507,809	405,209
	2,849,750	3,426,784
Inventory of goods in process, beginning of year	25,711	17,908
	2,875,461	3,444,692
Inventory of goods in process, end of year	14,788	25,711
Cost of goods manufactured	$2,860,673	3,418,981

"Supplementary Financial Information"

NEWFOUNDLAND HARDWOODS LIMITED

Cost of Goods Manufactured - Clarenville

Year ended October 31, 1982

	1982	1981
Raw materials used:		
Inventory, beginning of year	$ 3,905,602	2,906,583
Purchases	9,423,635	11,794,894
	13,329,237	14,701,477
Inventory, end of year	2,408,421	3,905,602
	10,920,816	10,795,875
Direct labour and benefits	461,674	495,468
Manufacturing expenses:		
Indirect labour	366,088	325,489
Fuel	673,741	739,417
Heat, light and water	43,765	38,240
Repairs and maintenance	266,005	259,189
Insurance and taxes	83,266	66,903
Supplies	75,315	76,904
Inspection and servicing	49,332	13,637
Wastage and damage	49,598	58,476
Miscellaneous	17,593	25,599
Depreciation	229,082	237,000
	1,853,785	1,840,854
Cost of goods manufactured	$13,236,275	13,132,197

"Supplementary Financial Information"

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Board of Directors
Newfoundland Industrial Development
Corporation
St. John's, Newfoundland

I have examined the balance sheet of the Newfoundland Industrial Development Corporation as at 31 March 1982 and the statement of income and retained earnings and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at 31 March 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
14 December 1982

NEWFOUNDLAND INDUSTRIAL DEVELOPMENT CORPORATION

Index to Financial Statements
For the year ended 31 March 1982

Balance Sheet	Statement 1
Statement of Income and Retained Earnings	" 2
Statement of Changes in Financial Position	" 3

STATEMENT I

NEWFOUNDLAND INDUSTRIAL DEVELOPMENT CORPORATION

Balance Sheet
31 March 1982

	1982 000's	1981 000's
Assets		
Current assets:		
Cash	$ 1,324	$ 32
Current portion of mortgage receivable	—	60
Current portion of loans receivable	4,000	2,628
Accrued interest receivable	1,028	735
Total current assets	6,352	3,455
Investments at cost (Note 2)	60,643	57,699
Long-term loans receivable - net of current portion (Note 3)	28,986	25,329
	$95,981	$86,483
Liabilities and Retained Earnings		
Current liabilities:		
Accrued interest payable	$ 926	$ 1,184
Current portion of long-term debt	7,042	5,588
Total current liabilities	7,968	6,772
Long-term debt - net of current portion (Note 4)	75,820	68,706
Total liabilities	83,788	75,478
Retained earnings	12,193	11,005
	$95,981	$86,483

See accompanying notes

Signed on behalf of the Board of Directors

D.G. NORRIS
Director

GILBERT G. GILL
Director

STATEMENT 2

NEWFOUNDLAND INDUSTRIAL DEVELOPMENT CORPORATION

Statement of Income and Retained Earnings

For the year ended 31 March 1982

	1982 000's	1981 000's
Revenue:		
Interest earned	$ 3,057	$ 2,405
Expenditure:		
Interest	1,845	1,090
Provision for uncollectible and other expenses	24	26
	1,869	1,116
Net income	1,188	1,289
Retained earnings, beginning of year	11,005	9,716
Retained earnings, end of year	$12,193	$11,005

See accompanying notes

STATEMENT 3

NEWFOUNDLAND INDUSTRIAL DEVELOPMENT CORPORATION

Statement of Changes in Financial Position

For the year ended 31 March 1982

	1982 000's	1981 000's
Funds provided:		
Operations — net income	$ 1,188	$ 1,289
Repayment of principal on long-term receivables	4,412	2,628
Reduction in mortgage receivable	—	60
Proceeds from long-term debt	11,553	7,112
	17,153	11,089
Funds provided not affecting working capital:		
Loan proceeds from Province of Newfoundland to be applied against principal on bank term loan	2,899	2,899
	20,052	13,988
Funds applied:		
Advances to long-term loans receivable	8,069	5,344
Purchase of investments	2,944	2,596
Reduction in long-term debt	4,439	2,689
	15,452	10,629
Funds applied not affecting working capital:		
Payment on bank loan	2,899	2,899
	18,351	13,528
Increase in working capital	1,701	460
Working capital (deficiency) — beginning of year	(3,317)	(3,777)
Working capital (deficiency) — end of year	$(1,616)	$(3,317)

See accompanying notes

NEWFOUNDLAND INDUSTRIAL DEVELOPMENT CORPORATION

Notes to Financial Statements

31 March 1982

1. **Accounting policies**

(a) **Investments**

The investment in the water rights and other related assets in Labrador is being recorded at the original cost of the investment and increased annually by the interest and recorded exchange loss on borrowed money with regard to the investment.

(b) **Foreign currency**

Translation of U.S. dollars to Canadian was made at the approximate rate prevailing when the transactions occurred.

(c) **Income taxes**

This Corporation is a Crown Corporation and therefore is not subject to either Provincial or Federal Income Taxes.

2. **Investments (000's)**

	1982	1981
Marystown Shipyard Limited 7,127 preferred shares	$ 7,126	$ 7,126
Water rights held in Labrador and certain related assets	53,517	50,573
	$60,643	$57,699

3. **Loans and interest receivable (000's)**

	Total	Current	Long-term
Crown corporations	$ 9,293	$1,825	$ 7,468
Other - secured	25,193	3,675	21,518
	34,486	5,500	28,986
Allowance for doubtful accounts	472	472	—
	$34,014	$5,028	$28,986

4. Long-term debt (000's)

	Total Outstanding	Current	Long-term
Notes payable to Province of Newfoundland, interest free, to be repaid out of funds received on account of certain loans receivable	$55,531	$2,067	$53,464
8 1/2% fully registered debentures (U.S. $7.0 million) due semiannually to 1984; guaranteed as to principal and interest by the Province of Newfoundland (Note 7)	3,509	1,074	2,435
Bank term loan (U.S. $21.1 million) bearing interest at 3/4 of 1% above the London interbank offer rate ("LIBO rate") to June, 1979, and thereafter at 1% above the LIBO rate, due 1978 to 1984; guaranteed as to principal and interest by the Province of Newfoundland	8,696	2,899	5,797
10% loan payable to the Province of Newfoundland, due semiannually to 1992 (Note 8)	1,714	156	1,558
10 1/2% loan payable to the Province of Newfoundland (Note 11)	13,412	846	12,566
	$82,862	$7,042	$75,820

5. Loans receivable

Principal payments coming due on loans receivable in the years 1983 to 1987 are as follows:

Year ending 31 March	Amount (000's)
1983	$ 4,000
1984	3,081
1985	3,315
1986	2,193
1987	2,355
	$14,944

6. Long-term debt

Principal payments coming due on long-term debt in the years 1983 to 1987 are as follows:

Year ending 31 March	Amount (000's)
1983	$ 7,042
1984	5,980
1985	6,213
1986	2,193
1987	2,355
	$23,783

7. **Debenture debt**

The debentures are translated to Canadian dollars at par, the approximate rate prevailing when the debt was incurred.

The debentures mature at various annual amounts commencing at U.S. $467,000 in 1972 and increasing annually to U.S. $1,268,000 at final maturity in 1984. These payments are being repaid out of funds received on account of the loan to Canadian Acceptance Corporation, which loan has identical terms of repayment, but is in Canadian dollars. A third party has agreed to assume any foreign exchange loss (or will be credited with any foreign exchange gain) that may occur through the receipt and expenditure of funds for the retirement of this debt.

During 1982 the Canadian Acceptance Corporation was sold by its parent company. Payments on the debentures are now being made by CIT Holdings Limited.

8. **Loan payable - Province of Newfoundland**

Principal and interest payments are to be repaid out of funds received on account of a loan to National Sea Products Limited, which loan has identical terms of repayment.

9. **Lease commitments**

On 31 March 1976 the Corporation entered into a lease agreement with Tele-Direct to lease five trawlers. These vessels are sub-leased to Fishery Products (Marystown) Limited under similar terms and conditions.

10. **Subsequent events**

Burgeo Seafoods Limited

During 1982, the Province of Newfoundland and National Sea Products Limited reached agreement with respect to divestiture of this company. The outstanding debt including interest owing to the Corporation was paid in full on 2 April 1982. At 31 March 1982 the outstanding debt amounted to $477,584, on which an allowance of $242,277 was previously taken.

Fishery Products Limited

On 11 September 1980 the Corporation entered into an agreement with Fishery Products Limited whereby the Corporation would provide two $7 million loans at an interest rate of 10 3/4% to finance the construction of two trawlers at Marystown Shipyards.

These loans were financed by a 10 1/2% direct loan of $14 million from the Province of Newfoundland.

Fishery Products has now accepted both of these vessels with the final drawdown on the loans having taken place in April 1982.

11. **Related party transactions**

Transactions with other crown corporations and the Province of Newfoundland were as follows:

— interest earned	$ 636,414
— interest expense	$1,240,609

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

The Board of Commissioners
The Newfoundland Legal Aid Commission
St. John's, Newfoundland

In accordance with the provisions of Section 24 of The Legal Aid Act, 1975, I have examined the balance sheet of The Newfoundland Legal Aid Commission as at 31 March 1982 and the statement of revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of The Newfoundland Legal Aid Commission as at 31 March 1982 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
14 January 1983

STATEMENT 1

THE NEWFOUNDLAND LEGAL AID COMMISSION

Balance Sheet
31 March 1982

Assets

	1982		1981	
Current assets				
Cash		$ 29,730		$ —
Grant receivable from the Province of Newfoundland		—		110,400
Accounts receivable	$134,906		$115,448	
Less: Allowance for doubtful accounts	39,067	95,839	38,135	77,313
Prepaid expenses		15,157		6,805
		140,726		194,518
Funds deposited in trust (Note 3)		57,385		19,755
Fixed assets (Note 1)				
Office equipment		38,295		32,555
Less: Accumulated depreciation		22,582		16,379
		15,713		16,176
Leasehold improvements — at net (Notes 1 and 4)		2,425		2,283
		$216,249		$232,732

Liabilities and Equity

	1982	1981
Current liabilities		
Bank overdraft	$ —	$ 69,441
Accounts payable and accrued liabilities	82,298	56,785
Unearned revenue	89,778	70,359
	172,076	196,585
Funds deposited in trust (Note 3)	57,385	19,755
Equity (Deficit)		
Balance, beginning of year	16,392	34,643
(Excess of expenditure over revenue)	(29,604)	(18,251)
Balance, end of year (Deficit)	(13,212)	16,392
	$216,249	$232,732

See accompanying notes

Signed on behalf of The Newfoundland Legal Aid Commission

F. AYLWARD
Chairman of the Commission

N. PETTEN
Provincial Director

STATEMENT 2

THE NEWFOUNDLAND LEGAL AID COMMISSION

Statement of Revenue and Expenditure
For the year ended 31 March 1982

	1982	1981
Revenue		
Grant from the Province of Newfoundland	$ 966,600	$726,400
Recovered fees	20,063	26,501
Interest	17,183	9,104
Federal project	9,000	—
Miscellaneous	46	31
	1,012,892	762,036
Expenditure		
Legal fees and disbursements	347,172	294,805
Salaries and commissioners' fees	513,315	352,774
Bad debts	931	—
Miscellaneous	9,818	8,060
Travel	4,461	8,743
Library	7,226	5,781
Conferences and education	13,307	8,507
Office and equipment rental	39,734	36,779
Office supplies	38,237	23,833
Insurance	10,993	4,228
Telephone and light	44,993	27,854
Depreciation	6,205	6,101
Amortization	1,940	843
Bank charges and interest	4,164	1,979
	1,042,496	780,287
(Excess of expenditure over revenue)	$ (29,604)	$(18,251)

See accompanying notes

THE NEWFOUNDLAND LEGAL AID COMMISSION

Notes to Financial Statements

31 March 1982

1. **Accounting policies**

Depreciation is computed on a straight line basis over a period of five years from the date of purchase.

Leasehold improvements are amortized on a straight line basis over the remaining life of the rental agreement.

2. The Legal Aid Act, 1975

The Newfoundland Legal Aid Commission was founded under The Legal Aid Act, 1975. The Commission assumed responsibility for the functions previously performed by The Legal Aid Committee of The Law Society of Newfoundland. It commenced operations in April of 1976 and at that time acquired the assets and liabilities of the Committee. Fixed assets of the Commission acquired from the Committee are set up at net book value while new additions are set up at cost

3. **Funds deposited in trust**

Funds deposited in trust represent amounts received by The Newfoundland Legal Aid Commission for legal action which has yet to be completed. Once legal action has been completed, these deposits will be combined with the general funds of the Commission.

4.	Leasehold improvements — at cost	$6,052
	Less: Accumulated amortization	3,627
	Leasehold improvements - net of amortization	$2,425

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Chairman and Members
Newfoundland Liquor Corporation
St. John's, Newfoundland

I have examined the balance sheet of the Newfoundland Liquor Corporation as at 31 March 1982 and the statements of income and retained earnings and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at 31 March 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
3 September 1982

NEWFOUNDLAND LIQUOR

Balance
31 March

	1982	1981
Assets		
Current assets:		
Cash	$ 847,114	$ 1,841,573
Accounts receivable		
Trade	155,260	162,812
Claims	107,886	93,101
Other	6,266	15,329
	269,412	271,242
Less: Allowance for doubtful accounts	29,342	33,945
	240,070	237.297
Beer commissions receivable	1,931,354	1,669,816
Inventories		
Raw materials	531,643	312,362
Head office inventory	3,605,159	3,620,410
Branch stores inventory	2,603,418	2,374,433
Stock in transit	939,464	741,316
Finished goods	1,068,358	1,226,296
	8,748,042	8,274,817
Prepaid expenses	142,200	152,058
Total current assets	11,908,780	12,175,561
Fixed assets:		
Buildings and land	1,914,845	1,219,345
Store equipment and fixtures	491,739	453,167
Motor vehicle	7,262	7,262
Office furniture and equipment	269,531	247,999
Plant and warehouse equipment	524,892	435,005
	3,208,269	2,362,778
Less: Accumulated depreciation	1,339,369	1,120,493
	1,868,900	1,242,285
Leasehold improvements	1,180,057	959,867
Less: Accumulated amortization	841,798	622,374
	338,259	337,493
Total fixed assets	2,207,159	1,579,778
Other assets:		
Interest in leased land (Note 2)	248,925	215,000
Less: Accumulated amortization	8,298	—
	240,627	215,000
Total assets	$14,356,566	$13,970,339

STATEMENT 1

CORPORATION

Sheet
1982

	1982	1981
Liabilities and Retained Earnings		
Current liabilities:		
Accounts payable	$ 2,612,726	$ 2,201,121
Accrued liabilities	2,099,117	1,813,199
Total current liabilities	4,711,843	4,014,320
Retained earnings		
Due to the Province of Newfoundland	9,644,723	9,956,019
Total liabilities and retained earnings	$14,356,566	$13,970,339

See accompanying notes

Signed on behalf of the Board

D.M. CHAFE
Chairman

D.G. NORRIS
Director

STATEMENT 2

NEWFOUNDLAND LIQUOR CORPORATION

Statement of Income and Retained Earnings
For the year ended 31 March 1982

	1982	%	1981	%
Sales	$69,158,443		$61,971,374	
Less: Returned sales	60,775		14,449	
Net sales	69,097,668	100	61,956,925	100
Cost of goods sold:				
Inventory - beginning	8,274,817		7,012,250	
Purchases	32,125,472		30,385,033	
Cost of goods available for sale	40,400,289		37,397,283	
Less: Inventory - ending	8,748,042		8,274,817	
	31,652,247	45.8	29,122,466	47.0
Gross profit on sales	37,445,421	54.2	32,834,459	53.0
Expenses:				
Administrative and operating (Schedule 1)	9,211,248	13.3	7,609,676	12.3
	28,234,173	40.9	25,223,783	40.7
Other operating income				
Commission on licensee purchases	851,652		843,702	
Commission on duty free sales	32,597		31,438	
Used container sales	15,597		23,825	
Interest income	70,305		44,886	
Rental income	10,600		10,400	
Miscellaneous	17,157		6,089	
	997,908		960,340	
Net profit from liquor store operations	29,232,081		26,185,123	
Commission revenue on sales of local beer	22,956,623		20,321,366	
Net income from total operations	52,188,704		46,506,489	
Retained earnings:				
Beginning of year	9,956,019		8,949,530	
	62,144,723		55,456,019	
Payments to the Province of Newfoundland	52,500,000		45,500,000	
Retained earnings:				
End of year	$ 9,644,723		$ 9,956,019	

See accompanying notes

STATEMENT 3

NEWFOUNDLAND LIQUOR CORPORATION

Statement of Changes in Financial Position
For the year ended 31 March 1982

	1982	1981
Source of working capital:		
From operations		
Net profit from liquor store operations	$29,232,081	$26,185,123
Commission revenue on sales of local beer	22,956,623	20,321,366
Add (deduct) items not resulting in an inflow or outflow of funds		
Depreciation	225,621	191,550
Amortization	227,722	103,206
Gain on disposal of fixed assets	(1,115)	(339)
	52,640,932	46,800,906
Proceeds from disposal of fixed assets	921	341
	52,641,853	46,801,247
Application of working capital:		
Payments to the Province of Newfoundland	52,500,000	45,500,000
Additions to fixed assets:		
Buildings and land	695,500	129,026
Equipment and furniture	156,542	168,681
Leasehold improvements	220,190	219,345
Additions to other assets	33,925	215,000
	53,606,157	46,232,052
Increase (decrease) in working capital	(964,304)	569,195
Working capital - beginning	8,161,241	7,592,046
Working capital - ending	$ 7,196,937	$ 8,161,241

See accompanying notes

SCHEDULE 1

NEWFOUNDLAND LIQUOR CORPORATION

Schedule of Administrative and Operating Expenses
For the year ended 31 March 1982

		1982	1981
Salaries and employee benefits		$5,288,484	$4,539,888
Rent (Note 4)		521,071	488,412
Freight to stores		240,737	236,057
Agency store commissions and expenses		1,089,682	733,697
Municipal and school tax		134,441	111,603
Travelling		82,766	59,900
Heat and light		185,311	139,702
Cleaning		121,681	95,639
Telephone and telegraph		102,905	68,684
Advertising		17,705	15,290
Computer services		195,040	191,934
Directors' fees and expenses		2,680	8,254
Interest and bank charges		45,238	38,459
Motor vehicle expenses		3,767	2,409
Consultants' fees		3,550	1,500
Store expenses:			
Store security	$ 36,448		
Store supplies and wrapping	81,459	117,907	111,654
Office expenses:			
Stationery and office supplies	77,588		
Postage	19,237	96,825	82,887
Repairs and maintenance:			
Repairs and maintenance	179,539		
Ground maintenance and snow clearing	38,079	217,618	168,749
Inventory breakage and shortage:			
Branch and warehouse breakage	32,018		
Branch and warehouse shortage	68,985	101,003	84,471
Marketing expenses		72,918	68,186
Dues and subscriptions		7,477	6,345
Insurance		19,328	22,750
Professional and legal fees		11,001	4,819
Depreciation		182,528	131,972
Amortization		227,722	103,206
Uniforms		40,245	11,455
Staff recruiting		26,998	17,661
Staff training		36,017	22,308
Miscellaneous		16,480	33,113
Labour negotiations and grievances		3,055	440
Gain on disposal of fixed assets		(1,115)	(339)
Bad debt expense		183	8,571
		$9,211,248	$7,609,676

See accompanying notes

NEWFOUNDLAND LIQUOR CORPORATION

Notes to Financial Statements
For the year ended 31 March 1982

1. **Accounting policies**

(a) Inventories are recorded at the lower of cost or net realizable value.

(b) Fixed assets are capitalized at cost at the time of acquisition. Depreciation is recorded over the expected usefullife of the asset on the straight line basis as follows:

Buildings	20 years
Store equipment and fixtures	5 years
Motor vehicle	3 years
Office furniture and equipment	5 and 10 years
Plant and warehouse equipment	3 and 5 years

A full year's depreciation is recorded in the year of acquisition while no depreciation is taken on assets disposed of during the year.

The Blending Department's share of depreciation expense amounting to $43,092 ($59,578 in 1981) is allocated to cost of goods sold.

(c) Leasehold improvements are amortized on a straight line basis over the terms of the individual leases which range from 1 to 20 years.

(d) Interest in leased land as described in Note 2 is amortized on a straight line basis over the initial 30 year term.

(e) Federal taxes on inventory held in bond at year end are included in head office inventory and related liability accounts. As at 31 March 1982 the following amounts were included in accrued liabilities:

Customs duty	$1,019,514
Excise duty	563,195
Federal sales tax	144,153
	$1,726,862

2. **Interest in leased land**

This consists of the cost of acquisition of leasehold land at Elizabeth Avenue as follows:

Acquisition cost	$ 215,000
Open space assessment	33,925
	$ 248,925

The land is leased over an initial period of 30 years at an annual rental of $4,800 with options to renew for an additional 140 years.

3. **Related party transactions**

1. The Corporation is leasing office and warehouse space rent-free from a Crown Corporation, Board of Liquor Control Building Corporation; however, all operating and maintenance costs related to the building are the responsibility of the Newfoundland Liquor Corporation.

2. The Corporation is leasing retail space for its Bell Island branch rent-free from the Department of Public Works; however, all operating and maintenance costs related to the building are the responsibility of the Corporation.

4. Lease commitments

The Corporation has 25 leases on file with terms ranging from 1 to 20 years covering retail outlets. Annual rents payable during the next five years are as follows:

Year ending 31 March 1983 — $400,500
1984 — 361,109
1985 — 324,003
1986 — 276,363
1987 — 256,920

5. Contingent liability

The Corporation is presently in the process of developing a municipal tax policy that may provide for payment of a grant in lieu of taxes. The policy is being implemented to eliminate inequities resulting from a wide divergence in rates charged by the various municipalities. Accordingly, tax assessments approximating $238,000 received by the Corporation have not been reflected in these financial statements.

An accrual in the amount of $94,754 has been recorded in these accounts representing an estimate of the liability that will result upon implementation of the proposed municipal tax policy.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Chairman and Members
Newfoundland Medical Care Commission
St. John's, Newfoundland

I have examined the balance sheet of the Newfoundland Medical Care Commission as at 31 March 1982 and the statement of revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at 31 March 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's
13 May 1982

NEWFOUNDLAND MEDICAL CARE COMMISSION

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31 March 1982

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Statement of Revenue and Expenditure " 2

Schedule of Administrative Expenditure Schedule 1

STATEMENT 1

NEWFOUNDLAND MEDICAL CARE COMMISSION

Balance Sheet
31 March 1982

	1982	1981
Assets		
Cash	$ 200	$ 200
Accounts receivable —		
Province of Newfoundland (Note 1 (a))	6,130,717	6,133,529
Third party liability recovery	—	3,180
Prepaid expense	46,839	31,657
Total assets	$6,177,756	$6,168,566
Liabilities		
Bank overdraft	$ 157,442	$1,187,034
Accounts payable and accrued liabilities	101,675	151,152
Liability for presented and processed claims (Note 1 (b))	3,702,738	3,374,473
Estimated liability for unpresented and unprocessed claims (Note 1 (b))	2,215,901	1,455,907
Total liabilities	$6,177,756	$6,168,566

See accompanying notes

Signed on behalf of the Commission

R.M. CROSBIE
Chairman

R.O. PEDDIGREW
Executive Director

STATEMENT 2

NEWFOUNDLAND MEDICAL CARE COMMISSION

Statement of Revenue and Expenditure
for the year ended 31 March 1982

	1982	1981
Revenue:		
Contributions - Province of Newfoundland	$44,843,188	$38,911,490
Third party recoveries	34,866	30,749
Miscellaneous	14,755	10,537
	49,621	41,286
Total revenue	$44,892,809	$38,952,776
Expenditure:		
Cost of insured services —		
Physicians —		
Fee for service (opted-in)	$40,123,265	$35,181,942
Fee for service (opted-out) and out-of-province	875,972	747,588
Dental surgery	501,026	478,551
Sessional payments	1,013,113	910,440
Incentive fund	57,680	—
Payments in lieu of fee for service	15,000	15,000
Optometry	543,067	—
	43,129,123	37,333,521
Administrative expenditure (Schedule 1)	1,763,686	1,619,255
Total expenditure	$44,892,809	$38,952,776

See accompanying notes

SCHEDULE 1

NEWFOUNDLAND MEDICAL CARE COMMISSION

Schedule of Administrative Expenditure
For the year ended 31 March 1982

	1982	1981
Computer costs		
Claims processing	$ 339,961	$ 342,111
Redevelopment	36,351	26,782
	376,312	368,893
Salaries	1,045,302	901,407
Commission fees	12,997	12,436
Office supplies	78,086	75,526
Microfilming	5,449	3,673
Postage and telephone	50,079	46,822
Electricity	3,613	3,507
Interest and bank charges	7,914	5,341
Furniture and equipment	13,566	39,434
Office rental	116,303	114,948
Equipment rental	1,371	9,103
Leasehold improvements	4,348	1,745
Travelling	22,900	13,369
Cleaning	7,123	6,629
Miscellaneous	18,323	16,422
Total administrative expenditure	$1,763,686	$1,619,255

See accompanying notes

NEWFOUNDLAND MEDICAL CARE COMMISSION

Notes to Financial Statements
For the year ended 31 March 1982

1. **Significant accounting policies**

   (a) In accordance with section 29 of the Newfoundland Medical Care Insurance Act, the Province of Newfoundland is responsible for the funding of expenditures incurred by the Commission in the carrying out of its powers, functions, and duties. Accordingly, an account receivable from the Province has been recorded representing the balance of funds owing by the Province to the Commission at 31 March 1982.

   (b) The Commission recognizes liabilities for insured services rendered prior to 31 March 1982. These liabilities consist of the following:

   (i) Claims presented but not paid - $3,702,738;
   (ii) An estimate of $2,215,901 for unpresented and unpaid claims.

   (c) The Commission follows the practice of expensing fixed assets in the year of acquisition. The total of the fixed assets acquired and under control of the Commission to 31 March 1982 is $154,346 (1981 - $140,780).

2. **Comparative figures**

   The 1981 comparative figures have been restated to conform with the current year's presentation.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Chairman and Members
Newfoundland Municipal Financing
Corporation
St. John's, Newfoundland

I have examined the balance sheet of the Newfoundland Municipal Financing Corporation as at 31 March 1981 and the statements of income, retained earnings and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at 31 March 1981 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
19 March 1982

NEWFOUNDLAND MUNCIPAL FINANCING CORPORATION

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31 March 1981

Balance Sheet Statement 1

Statement of Retained Earnings " 2

Statement of Income " 3

Statement of Changes in Financial Position " 4

STATEMENT 1

NEWFOUNDLAND MUNICIPAL FINANCING CORPORATION

Balance Sheet
31 March 1981

	1981 (000's)	1980 (000's)
Assets		
Current assets:		
Cash	$ 42	$ 56
Term deposits	10,913	2,864
Current portion of debentures receivable	5,287	4,359
Accrued interest receivable	5,554	4,880
Total current assets	21,796	12,159
Debentures receivable from municipalities (Note 2)	180,226	159,182
Less: Amounts due in one year	5,287	4,359
	174,939	154,823
Debenture issue expenses less amortization	2,898	3,011
	$199,633	$169,993
Liabilities and Retained Earnings		
Current liabilities:		
Accrued interest payable	$ 6,791	$ 6,172
Payments received in advance	—	23
Current portion of sinking fund commitments (Note 3)	3,058	2,365
Total current liabilities	9,849	8,560
Long-term debt:		
Debenture debt, net of sinking funds (Note 3)	182,125	153,832
6% note payable to Province of Newfoundland due 1987	5,000	5,000
	187,125	158,832
Retained earnings	2,659	2,601
	$199,633	$169,993

The accompanying notes are an integral
part of this financial statement

Signed on behalf of the Board of Directors:

GILBERT G. GILL
Director

PHILIP J. WALL
Director

STATEMENT 2

NEWFOUNDLAND MUNICIPAL FINANCING CORPORATION

Statement of Retained Earnings

For the year ended 31 March 1981

	1981 (000's)	1980 (000's)
Retained earnings - beginning of year	$2,601	$3,112
Net income (loss) for the year	58	(511)
Retained earnings - end of year	$2,659	$2,601

The accompanying notes are an integral
part of this financial statement

STATEMENT 3

NEWFOUNDLAND MUNICIPAL FINANCING CORPORATION

Statement of Income

For the year ended 31 March 1981

	1981 (000's)	1980 (000's)
Income:		
Interest on debentures receivable	$17,604	$15,387
Interest on sinking fund investments	1,592	1,188
Interest on term deposits	525	322
Gain on redemption - 8A debentures	348	107
	20,069	17,004
Expenses:		
Interest on long-term debt	19,252	16,803
Amortization of issue expenses	208	182
Exchange losses	551	530
	20,011	17,515
Net income (loss) for the year	$ 58	$ (511)

The accompanying notes are an integral part of this financial statement

STATEMENT 4

NEWFOUNDLAND MUNICIPAL FINANCING CORPORATION

Statement of Changes in Financial Position
For the year ended 31 March 1981

	1981 (000's)	1980 (000's)
Funds provided:		
Net income for the year	$ 58	$ —
Add: Non-cash items:		
Amortization of debenture issue expenses	208	—
Write down of debenture issue expenses applicable to redeemed debentures	33	—
Funds from operations	299	—
Reduction in debentures receivable	7,641	4,492
Net proceeds of debenture issue	34,871	24,223
Total funds provided	42,811	28,715
Funds applied:		
Loss for the year	—	511
Less: Non-cash items:		
Amortization of debenture issue expenses	—	182
Write down of debenture issue expenses applicable to redeemed debentures	—	40
Funds applied to operations	—	289
Advances to municipalities	27,757	24,107
Redemption of 8A debentures	2,242	1,852
Redemption of 6A debentures	—	382
Sinking fund investments	4,464	3,343
Total funds applied	34,463	29,973
Increase (decrease) in working capital	8,348	(1,258)
Working capital - beginning of year	3,599	4,857
Working capital - end of year	$11,947	$ 3,599
Represented by:		
Current assets	$21,796	$12,159
Current liabilities	9,849	8,560
	$11,947	$ 3,599

The accompanying notes are an integral
part of this financial statement

NEWFOUNDLAND MUNICIPAL FINANCING CORPORATION

Notes to Financial Statements
31 March 1981

1. **Accounting policies**

   (a) **Debentures receivable**

   Debentures receivable, at various interest rates, are due in annual or semi-annual instalments over initial periods extending from eleven (11) to forty (40) years. Due to the financial relationship between the Province and the municipalities, the Corporation maintains the position that there will not be material arrears on its debentures receivable, therefore, no allowance for doubtful accounts has been provided.

   (b) **Foreign currency**

   Conversion of U.S. dollars to Canadian dollars was made at the appropriate rates prevailing when the debenture debt was incurred. At the year end, accrued interest payable and sinking funds (cash and current portion) were translated at the year end rate.

   This latter accounting treatment results in the creation of a recorded exchange gain or loss due to the interrelation between historic, actual and year end exchange rates.

   (c) **Income taxes**

   The Corporation is a Crown Corporation and, therefore, is not subject to either Provincial or Federal Income Taxes.

   (d) **Unamortized debenture discount and premium and issue expenses**

   The debenture discount and premium and issue expenses are being amortized on a straight line basis over the term of the debentures.

2. **Debentures receivable**

Projected amounts receivable in years 1982 through 1986 are as follows:

Year ending 31 March	Amount (in millions)
1982	$ 5.2
1983	5.7
1984	6.5
1985	7.2
1986	8.0
	$32.6

The amount receivable from debentures receivable in 1982 is also recorded in the financial statements as the current portion of debentures receivable.

3. Long-term debt

Debenture debt (net of sinking fund commitments) consists of:

	1981 (000's)	1980 (000's)
7% Sinking Fund Debentures (U.S. $10 million) due 1 October 1987, with annual sinking fund payments equal to 2 1/2% of the principal, redeemable at the option of the Corporation on or after 1 October 1985, guaranteed as to principal and interest by the Province of Newfoundland	$ 10,755	$ 10,755
7 3/4% Sinking Fund Debentures (U.S. $8 million) due 15 January 1989, with annual sinking fund payments equal to 2 1/2% of the principal, redeemable at the option of the Corporation on or after 15 January 1984, guaranteed as to principal and interest by the Province of Newfoundland	8,607	8,607
8 1/4% Sinking Fund Debentures (U.S. $15 million) due 15 September 1994, with annual sinking fund payments equal to 2% of the principal, redeemable at the option of the Corporation on or after 15 September 1989, guaranteed as to principal and interest by the Province of Newfoundland	14,728	14,728
10 3/4% Sinking Fund Debentures due 15 August 1999, with annual sinking fund payments equal to 1 1/2% of the principal, redeemable at the option of the holder on 15 August 1979 and 15 August 1989; redeemable at the option of the Corporation on or after 15 August 1994; guaranteed as to principal and interest by the Province of Newfoundland	24,618	24,618
10 7/8% Sinking Fund Debentures (U.S. $25 million) due 1 December 1995, with various sinking fund payment rates commencing in 1984, redeemable at the option of the holder on 1 December 1983; guaranteed as to principal and interest by the Province of Newfoundland	25,349	25,349
9 1/4% Debentures (U.S. $35 million) due 15 September 1988, with various annual purchase fund commitments payable under certain specified conditions commencing in 1976; redeemable at the option of the Corporation on or after 15 September 1982; guaranteed as to principal and interest by the Province of Newfoundland	30,029	32,272
10 3/8% Sinking Fund Debentures due 3 May 2000, with annual sinking fund payments equal to 2% of the principal, redeemable at the option of the Corporation, in full, on or after 3 May 1997, guaranteed as to principal and interest by the Province of Newfoundland	30,000	30,000
11 1/4% Sinking Fund Debentures due 15 December 1999, with annual sinking fund payments equal to 2% of the principal; redeemable at the option of the Corporation, in whole but not in part, at any time on or after 15 December 1997; guaranteed as to principal and interest by the Province of Newfoundland	25,000	25,000
13 3/8% Sinking Fund Debentures due 30 January 2001, with annual sinking fund payments equal to 2% of the principal; redeemable at the option of the Corporation, in whole but not in part, at any time on or after 30 January 1999; guaranteed as to principal and interest by the Province of Newfoundland	35,000	—
Total debenture debt	204,086	171,329
Less - sinking fund at amortized cost (par value 1981 - $22,192, 1980 - $17,493)	21,961	17,497
Debenture debt	$182,125	$153,832

If the rates of exchange at 31 March 1981 had been applied to the U.S. Sinking Fund debentures outstanding and Sinking Fund investments denominated in U.S. dollars, the net debentures would be increased by $13.7 million to $195.8 million.

The Sinking Fund investments include debentures with a U.S. par value of $13.5 million compared to a U.S. amortized cost of $12.6 million, Canadian par value of $5.1 million with a Canadian amortized cost of $4.8 million and cash of $304,205 U.S.

For the five years subsequent to 1981 the sinking fund commitments and purchase fund commitments which are payable under specified conditions, are as follows:

(in millions)

	Sinking fund commitments		Purchase fund commitments	
Year ended 31 March	Current Exchange Rates	Historical Exchange Rates	Current Exchange Rates	Historical Exchange Rates
1982	$ 3.1	$ 2.9	$1.7	$1.4
1983	3.1	2.9	1.7	1.4
1984	3.1	2.9	1.7	1.4
1985	3.1	2.9	1.7	1.4
1986	3.1	2.9	1.7	1.4
	$15.5	$14.5	$8.5	$7.0

The 1982 sinking fund commitments are also recorded in the financial statements as current portion sinking fund commitments.

4. **Subsequent Events**

(1) Subsequent to year end the Corporation issued:

i. $5 million U.S. 15 1/4% Debentures due 18 December 1996

ii. $6 million Canadian 15 3/4% Debentures due 18 December 1996

iii. $20 million Canadian 16 3/8% Serial Debentures due 16 February 1983 to 1994

(2) Subsequent to year end the Corporation refinanced approximately $31 million Canadian in guaranteed municipal bank loans. These funds were recorded as investments in municipalities to be repayable to the Corporation over periods extending from 10 to 20 years at an interest rate equal to the cost of borrowing plus one-half per cent (1/2%).

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Chairperson and Members
Public Libraries Board
St. John's, Newfoundland

I have examined the balance sheet of the Public Libraries Board as at 31 March 1982 and the statement of revenue, expenditure and deficit for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at 31 March 1982 and the results of its operations for the year then ended in accordance with accounting policies as outlined in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
7 October 1982

PUBLIC LIBRARIES BOARD

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31 March 1982

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STATEMENT 1

PUBLIC LIBRARIES BOARD

Balance Sheet
31 March 1982

	1982	1981
Assets		
Current assets		
Cash	$ —	$ 44,511
Accounts receivable	2,016	7,124
Prepaid expenses	33,525	27,111
	35,541	78,746
Fixed assets		
Building, furniture and equipment	1,167,335	997,465
Books and periodicals	7,495,672	6,806,584
	8,663,007	7,804,049
Less: Expensed in year of acquisition	8,663,007	7,804,049
	—	—
	$ 35,541	$ 78,746
Liabilities Less Deficit		
Current liabilities		
Bank overdraft	$ 14,919	$ —
Accounts payable and accrued liabilities	39,303	5,737
	54,222	5,737
Deficit (Surplus)	18,681	(73,009)
	$ 35,541	$ 78,746

See accompanying notes

Signed on behalf of the Board

M.E. ANN HART
Chairperson

PEARCE J. PENNEY
Director of Public
Library Services

STATEMENT 2

PUBLIC LIBRARIES BOARD

Statement of Revenue, Expenditure and Deficit
For the year ended 31 March 1982

	1982	1981
Revenue		
Operating grant		
Province of Newfoundland	$3,462,300	$3,200,000
City of St. John's	20,000	20,000
Building grant		
Province of Newfoundland	170,000	50,000
Other revenue		
Proceeds from sale of fixed assets	3,837	2,757
Miscellaneous	125	1,294
	3,656,262	3,274,051
Expenditure		
Salaries	1,783,101	1,582,859
Fixed assets expensed in year of acquisition		
— Books	568,566	517,672
— Periodicals	120,522	140,502
— Building, furniture and equipment	169,871	49,612
Conferences and workshops	34,529	22,064
Travelling	58,118	48,437
Janitorial services and security	5,456	5,216
Books by mail	11,832	13,863
Miscellaneous	3,635	3,637
Repairs and maintenance	23,652	18,221
Advertising	1,227	1,427
Telephone and telegraph	32,215	27,043
Bookmobile expenses	39,758	39,837
Rental of premises	60,170	47,622
Rental of equipment	22,911	2,587
Office supplies	91,199	78,346
Insurance	28,572	23,652
Grants to local libraries (Schedule 1)	607,125	524,977
Automation	48,381	19,070
Freight and postage	37,112	—
	3,747,952	3,166,644
Excess of expenditure over revenue	91,690	(107,407)
Deficit (Surplus) — beginning of year	(73,009)	34,398
Deficit (Surplus) - end of year	$ 18,681	$ (73,009)

See accompanying notes

SCHEDULE I

PUBLIC LIBRARIES BOARD

Grants to Local Libraries
For the year ended 31 March 1982

Operating grants	1982	1981
Community Library Services		
Cartwright	$ 4,950	$ 4,500
Churchill Falls	6,600	6,000
Happy Valley	5,900	5,900
Labrador City	10,000	5,000
L'anse au Loup	3,850	4,000
Port Saunders	4,750	3,900
St. Anthony	7,500	7,200
St. Lunaire-Griquet	5,650	4,500
Wabush	6,500	5,700
	55,700	46,700
Central Region		
Baie Verte	6,115	3,910
Bishop's Falls	9,356	6,500
Botwood	4,286	3,836
Buchans	3,586	2,600
Burgeo	4,829	5,036
Gaultois	1,885	2,720
Harmsworth	23,869	19,537
Harbour Breton	3,895	3,450
Harry's Harbour	2,800	2,836
Hermitage	3,300	3,161
King's Point	3,500	5,500
LaScie	5,505	3,536
Norris Arm	5,762	5,000
Point Leamington	5,000	4,600
Ramea	4,262	3,286
Robert's Arm	3,481	3,025
St. Albans	4,700	3,900
Seal Cove	3,300	3,331
Springdale	5,119	3,930
Windsor	7,000	7,306
	111,550	97,000

Operating grants (cont'd)

	1982	1981
Western Region		
Bay St. George South	$ 3,875	$ 4,700
Cape St. George	3,975	3,000
Channel-Port aux Basques	25,000	20,297
Codroy Valley	3,500	3,000
Cormack	3,500	2,300
Corner Brook	23,750	21,800
Cow Head	5,645	5,350
Daniel's Harbour	3,983	2,550
Deer Lake	20,000	19,106
Lark Harbour	3,255	3,000
Lourdes	4,020	2,670
Norris Point	4,079	3,000
Pasadena	5,095	4,000
Port au Port East	3,262	6,600
Port au Port West	7,325	3,150
Rocky Harbour	5,720	5,750
St. Georges	4,225	2,950
Sop's Arm	4,000	3,256
Stephenville	26,065	28,255
Stephenville Crossing	4,175	3,200
Woody Point	4,250	2,850
	168,699	150,784
Gander Region		
Badger's Quay	3,800	3,292
Carmanville	8,400	8,520
Centreville	5,500	4,030
Change Islands	3,700	3,235
Dark Cove	8,500	6,685
Dover	4,953	3,776
Fogo	9,100	7,525
Gander	17,653	16,959
Glenwood	2,850	1,870
Glovertown	4,000	3,540
Greenspond	2,350	1,944
Hare Bay	4,195	3,252
Lewisporte	6,600	3,708
Lumsden	6,000	4,140
Musgrave Harbour	5,290	3,340
Summerford	3,000	2,082
Twillingate	7,600	5,807
Wesleyville	5,580	4,238
	109,071	87,943

Operating grants (cont'd)

	1982	1981
Avalon Region	$ 6,680	$ 5,100
Bay Roberts	3,104	2,600
Bell Island	2,109	1,400
Brigus	10,394	8,500
Carbonear	13,689	12,500
Conception Bay South	2,728	2,100
Fox Harbour	2,604	2,200
Freshwater	1,200	—
Goulds	5,400	5,400
Harbour Grace	4,000	4,000
Mount Pearl	4,950	4,300
Old Perlican	8,571	7,300
Placentia	4,416	4,600
Pouch Cove	6,980	6,000
St. Brides-Cape Shore	2,100	2,100
Spaniard's Bay	5,200	5,000
Torbay	3,700	3,400
Trepassey	4,409	3,400
Upper Island Cove	2,700	2,700
Victoria	6,316	5,250
Whitbourne	3,600	3,400
Winterton	104,850	91,250
Bonavista-Burin Region	3,222	3,000
Arnold's Cove	4,187	3,600
Bonavista	8,449	7,400
Burin	3,459	3,600
Catalina	7,570	6,000
Clarenville	3,759	3,800
Fortune	2,861	2,700
Garnish	5,980	6,000
Grand Bank	7,470	5,900
Marystown	5,954	5,300
St. Lawrence	4,344	4,000
Southern Harbour	57,255	51,300
	$607,125	$524,977

See accompanying notes

PUBLIC LIBRARIES BOARD

Notes to Financial Statements

31 March 1982

1. **Summary of significant accounting policies**

(a) **Basis for financial statements —**

The Public Libraries Board is a Crown corporation established by the Lieutenant-Governor and House of Assembly in Legislative Session under the provisions of the Public Libraries Act. The Board has the responsibility of establishing, operating and maintaining all public libraries in St. John's and in other areas of Newfoundland as it deems expedient. These financial statements reflect the results of operations of the Board on an accrual basis and all of its assets and liabilities.

(b) **Grants —**

Funds received from the Province of Newfoundland for capital and working capital purposes and from the City of St. John's for working capital purposes are treated as revenue and accounted for on an accrual basis.

(c) **Fixed assets —**

Building, furniture, equipment and books are initially recorded at cost. The Board follows the practice of expensing these assets in the year of acquisition. No adjustments have been made for asset disposals.

2. **Outstanding Commitments**

As at 31 March 1982 the Board had outstanding commitments for the purchase of books amounting to $131,176 (1981 - $78,706).

3. **Lease Agreement**

The Board has entered into lease agreements for rental of microfiche readers and postal equipment, which requires the Board to make monthly payments of $2,739 until 1 February 1986 and $1,612 for the period 8 February 1986 to 8 February 1987.

4. **Income taxes**

The Board is a Crown corporation and therefore is not subject to either Provincial or Federal Income Taxes.

5. Certain of the 1981 financial statement figures have been reclassified to conform with the current year's presentation.

AUDITORS' REPORT

TO: The Directors of Nordco Limited:—

We have examined the non-consolidated balance sheet of Nordco Limited as at 31st March 1982 and the non-consolidated statements of earnings, deficit and shareholders' contributed surplus, and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

The accompanying financial statements have been prepared for purposes other than presentation to shareholders and do not reflect the generally accepted accounting principle of consolidation of the accounts of the subsidiary. We have reported on 5th July 1982 to the shareholders on consolidated financial statements of the company and its subsidiary for the year ended 31st March 1982.

In our opinion, these non-consolidated financial statements present fairly the financial position of the company as at 31st March 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles except that they are prepared on a non-consolidated basis, as explained in note 3, applied on a basis consistent with that of the preceding year.

COOPERS & LYBRAND
Chartered Accountants

St. John's, Newfoundland
5th July 1982

NORDCO LIMITED

Statement of Earnings
For the year ended 31 March 1982

	1982	1981
Revenue	3,603,005	2,698,002
Direct Expenses		
Job costs	817,557	
Salaries and employee benefits	1,250,665	920,784
	2,068,222	1,464,274
Gross Profit	1,534,783	1,233,728
Expenses		
Advertising and promotion	78,834	65,371
Bad debts	4,736	10,562
Conferences and conventions	12,746	29,624
Depreciation	262,536	230,003
Directors' fees	2,620	827
In-house projects	10,035	104,021
Insurance	40,310	30,228
Interest and bank charges	28,143	123,163
Laboratory and technical	113,974	89,814
Light and heat	40,875	33,148
Management information systems	30,325	42,509
Miscellaneous	13,736	11,099
Municipal taxes	32,938	20,420
Ocean information centre	13,585	16,250
Office	83,924	63,389
Professional fees	64,672	42,932
Rent - buildings	78,304	173,356
— equipment	15,165	16,569
Salaries and employee benefits - research, operations and administration	803,448	1,004,220
Staff recruitment	23,712	17,392
Subsidy-operating expenses of affiliate	18,000	31,500
Telephone and postage	69,349	66,896
Travel	17,741	15,547
	1,859,708	2,238,840
	(324,925)	(1,005,112)
Other Income		
Management fee	75,000	—
Profit on sale of fixed assets	1,641	41,612
	76,641	41,612
Loss	$ (248,284)	(963,500)

NORDCO LIMITED

Statements of Deficit and Shareholders' Contributed Surplus
For the year ended 31 March 1982

	1982	1981
Deficit		
Balance - Beginning of year		
As previously reported	(1,970,207)	472,428
Adjustment for change in accounting policy	—	(1,479,135)
	(1,970,207)	(1,006,707)
Loss	(248,284)	(963,500)
Balance - End of year	$(2,218,491)	(1,970,207)
Shareholders' Contributed Surplus		
Balance - Beginning of year		
As previously reported	2,945,135	—
Adjustment for change in accounting policy	—	1,479,135
	2,945,135	1,479,135
Shareholders' contributions	289,088	1,466,000
Balance - End of year	$3,234,223	2,945,135

NORDCO LIMITED

Statement of Changes in Financial Position
For the year ended 31 March 1982

	1982	1981
Source of Working Capital		
Provided from operations —		
Loss	(248,284)	—
Items not affecting working capital —		
Depreciation	262,536	—
Profit on sale of fixed assets	1,641	—
	260,895	—
	12,611	—
Shareholders' contributions	289,088	1,466,000
Proceeds on disposal of fixed assets	26,619	109,528
Proceeds from long-term debt	—	797,000
Issue of common shares	—	4,000
	328,318	2,376,528
Use of Working Capital		
Required for operations -		
Loss	—	963,500
Items not affecting working capital -		
Depreciation	—	230,003
Profit on disposal of fixed assets	—	41,612
	—	188,391
	—	775,109
Purchase of fixed assets	1,069,541	1,293,149
Increase in long-term investments	2,100	—
	1,071,641	2,068,258
Increase (Decrease) In Working Capital	(743,323)	308,270
Working Capital Deficiency - Beginning of year	(180,181)	(488,451)
Working Capital Deficiency - End of year	$ (923,504)	(180,181)
Increases (Decreases) In Working Capital:		
Accounts receivable	317,316	(210,522)
Prepaid expenses	38,143	14,167
Bank overdraft	(15,402)	(9,400)
Bank loan	(410,000)	669,000
Accounts payable		
Trade	(142,553)	(154,975)
Shareholders	(530,827)	—
	$ (743,323)	308,270

NORDCO LIMITED

Balance Sheet
As at 31 March 1982

	1982	1981
Assets		
Current Assets		
Cash	600	600
Accounts receivable (note 2)	1,000,784	683,468
Prepaid expenses and supplies	99,108	60,965
	1,100,492	745,033
Long-Term Investments (note 3)	127,466	125,366
Fixed Assets (notes 4 and 5)	2,615,770	1,833,743
	$3,843,728	2,704,142
Liabilities		
Current liabilities		
Bank overdraft	133,149	117,747
Bank loan (note 2)	500,000	90,000
Accounts payable		
Trade	860,020	717,467
Shareholders	530,827	—
	2,023,996	925,214
Long-Term Debt (note 5)		
Non-interest bearing mortgage	797,000	797,000
	2,820,996	1,722,214
Shareholders' Equity		
Capital Stock (note 6)	7,000	7,000
Shareholders' Contributed Surplus	3,234,223	2,945,135
Deficit	(2,218,491)	(1,970,207)
	1,022,732	981,928
	$3,843,728	2,704,142

Signed on behalf of the Board

IVAN PALMER Director

R. BARRY LEARMONTH Director

NORDCO LIMITED
Notes to Financial Statements
For the year ended 31 March 1982

1. **Accounting Policies**

Depreciation

The fixed assets are depreciated using the following methods and rates:

Asset	Method	Rate
Building	Straight line	2 1/2%
Equipment	Declining balance	20%
Leasehold improvements	Straight line	20%
Vehicles	Declining balance	30%

Research and Development

Research and development costs, which are the result of internal development, are expensed in the period in which they are incurred.

Shareholders' Contributions

The company receives contributions for financing its operations from its shareholders and Departments of the Government of Newfoundland. These contributions are recorded as contributed surplus.

2. **Security for Bank Loan**

The accounts receivable have been pledged as security for the bank loan.

3. **Long-Term Investments**

	1982	1981
Shares — at cost	2,134	34
Non-interest bearing loan with no specific repayment terms	125,332	125,332
	$127,466	125,366

These financial statements are prepared on the basis of accounting for investment in a subsidiary company using the cost method instead of on a consolidated basis, and in this respect only are not in accordance with generally accepted accounting principles. This basis of accounting is considered appropriate because non-consolidated financial statements are required by the directors for credit purposes in which indebtedness is secured by assignment of certain assets of the company, and for filing of information with income tax and other government authorities. Consolidated financial statements for the year ended 31st March 1982 have also been prepared.

The company has a 55% interest in Geonautics Limited, a company that provides marine engineering services. The investors have jointly and severally guaranteed bank loans for Geonautics Limited which had an approved credit limit of $229,000.

4. Fixed Assets

	Cost	Accumulated Depreciation	Net Book Value 1982	Net Book Value 1981
Land	48,700	—	48,700	48,700
Building	1,699,749	23,962	1,675,787	915,911
Equipment	1,840,246	955,226	885,020	838,330
Leasehold improvements	115,452	112,578	2,874	25,963
Vehicles	9,876	6,487	3,389	4,839
	$3,714,023	1,098,253	2,615,770	1,833,743

5. Long-Term Debt

The building has been pledged as security for the non-interest bearing mortgage which is payable to the Government of Newfoundland. Payments commence on 31st December 1986 and are to be made in ten equal annual instalments.

6. Capital Stock

	1982	1981
Authorized — 100 common shares of $100 par value		
Issued and fully paid — 7 common shares	$7,000	7,000

7. Related Party Transactions

The company is a partner in CanAm Offshore Systems, an unincorporated company which provides engineering services.

Transactions with CanAm Offshore Systems and Geonautics Limited included the following:

	1982	1981
Contract revenue	$1,223,194	240,779
Management fee	$ 75,000	—
Trade accounts receivable	$307,587	71,556

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders
Nurses' Training School Building
Corporation Limited
St. John's, Newfoundland

I have examined the balance sheet of the Nurses' Training School Building Corporation Limited as at 31 March 1982 and the statement of revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the corporation as at 31 March 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
2 December 1982

STATEMENT 1

NURSES' TRAINING SCHOOL BUILDING CORPORATION LIMITED

Balance Sheet
31 March 1982

		1982	1981
Assets			
Current assets:			
Prepaid expenses		$ 916	$ 1,601
Fixed assets, at cost: (Note 3)			
Land		50,000	50,000
Building		5,554,056	5,554,056
		5,604,056	5,604,056
Intangible assets:			
Organization expense		256	256
Debt service fund:			
Investments held by trustee, at cost		151,780	190,269
Accrued interest		4,364	4,011
		156,144	194,280
Total assets		$5,761,372	$5,800,193
Liabilities			
Current liabilities:			
Deferred revenue - per contra		$ 916	$ 1,601
Current portion of long-term debt		315,000	297,000
		315,916	298,601
Long-term debt: (Notes 2 and 3)			
6 1/2% First Mortgage Serial Bonds dated 1 October 1961, maturing 1 December 1987		1,921,000	2,236,000
Total liabilities		2,236,916	2,534,601
Shareholders' Equity			
Share capital:			
Authorized 100 common shares of par value of $1,000 each	$100,000		
Issued and fully paid 3 shares		3,000	3,000
Capital contributions:			
Repayment of long-term debt by the Province of Newfoundland		3,364,000	3,067,000
Other		1,312	1,312
		3,365,312	3,068,312
Debt service fund balance		156,144	194,280
Total shareholders' equity		3,524,456	3,265,592
Total liabilities and shareholders' equity		$5,761,372	$5,800,193

See accompanying notes

Signed on behalf of the Board of Directors

GILBERT G. GILL
Director

PHILIP J. WALL
Director

STATEMENT 2

NURSES' TRAINING SCHOOL BUILDING CORPORATION LIMITED

Statement of Revenue and Expenditure
For the year ended 31 March 1982

	1982	1981
Revenue		
Province of Newfoundland		
Rental of Nurses' Training School	$441,858	$448,407
Interest income	20,951	15,850
	$462,809	$464,257
Expenditure		
Debt charges:		
Payment to trustee for bondholders on account of principal and interest in First Mortgage Serial Bonds:		
Principal	$303,000	$284,000
Interest	153,465	172,239
	456,465	456,239
Trustee's fees and sundry	1,996	1,881
Fire insurance expense	4,348	6,137
	$462,809	$464,257

See accompanying notes

NURSES' TRAINING SCHOOL BUILDING CORPORATION LIMITED

Notes to Financial Statements

31 March 1982

1. **Accounting Policies**

   (a) **Fixed assets**

   Fixed assets are not being depreciated but payments of principal and interest on long-term debt are expensed in the financial statements. Also certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholders and which were paid for by the Lessee, are not included in these accounts.

   (b) **Interest income and rental revenue**

   The rental revenue received from the Province and interest earned on the Debt Service Fund is equal to the annual amount required to be paid on account of principal and interest, and other expenses. Thus deferred revenue equals prepaid expenses of the Corporation.

2. Principal payments coming due on the First Mortgage 6 1/2% Serial Bonds from 1982-83 to 1986-87 are: $315,000; $337,000; $359,000; $382,000 and $408,000 respectively.

3. Fixed assets have been pledged as security for the long-term debt.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

The Board of Trustees of the
Power Distribution District of
Newfoundland and Labrador
St. John's, Newfoundland

I have examined the balance sheet of The Board of Trustees of the Power Distribution District of Newfoundland and Labrador as at 31 March 1982 and the statement of income and deficit for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at 31 March 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
8 July 1982

BOARD OF TRUSTEES THE POWER DISTRIBUTION DISTRICT OF NEWFOUNDLAND AND LABRADOR

Index to Financial Statements
31 March 1982

Balance Sheet Statement 1

Statement of Income and Deficit " 2

STATEMENT 1

BOARD OF TRUSTEES THE POWER DISTRIBUTION DISTRICT OF NEWFOUNDLAND AND LABRADOR

Balance Sheet

31 March 1982

	1982 (000's)	1981 (000's)
Asset		
Current asset		
Due from Newfoundland and Labrador Hydro	$ 34	$ 270
Liabilities Less Deficit		
Current liability		
Due to the Province of Newfoundland	$ 34	$ 270
Long-term debt (Note 2)	6,154	6,582
Deficit	(6,154)	(6,582)
Total liabilities less deficit	$ 34	$ 270

See accompanying notes

Signed on behalf of the Board

VICTOR YOUNG
Chairman

J.P. HENDERSON
Member

STATEMENT 2

BOARD OF TRUSTEES THE POWER DISTRIBUTION DISTRICT OF NEWFOUNDLAND AND LABRADOR

Statement of Income and Deficit
For the year ended 31 March 1982

	1982 (000's)	1981 (000's)
Revenue	$17,265	$15,436
Expenses		
Generation, transmission and administration	34,053	27,714
Depreciation	623	59
Interest (Note 3)	2,604	915
	37,280	28,688
Loss before subsidy	20,015	13,252
Subsidy (Note 4)	20,049	13,265
Net income	34	13
Net income transferred to Province of Newfoundland	(34)	(13)
	—	—
Deficit		
Beginning of year	(6,582)	(1,008)
Contribution for principal repayment of long-term debt (Note 4)	428	399
Loss on transfer of assets to Newfoundland and Labrador Hydro	—	(2,863)
Transfer of net working capital to the Province of Newfoundland	—	(3,110)
End of year	$(6,154)	$(6,582)

See accompanying notes

BOARD OF TRUSTEES THE POWER DISTRIBUTION DISTRICT OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements

31 March 1982

The Power Distribution District of Newfoundland and Labrador (P.D.D.) is a statutory corporation of Newfoundland and is responsible for the generation and distribution of electricity at subsidized rates to its customers in certain remote rural communities.

1. Accounting policies

Administrative agreement

Newfoundland and Labrador Hydro (Hydro) will finance all future capital requirements of P.D.D. and will continue to manage P.D.D.'s operating responsibilities.

P.D.D. will continue to be supplier of record to its customers and will reimburse Hydro fully for all costs associated with serving these customers, including financing costs of its capital requirements.

Capitalized expenses

It is the policy of P.D.D. to capitalize a portion of operating costs as an estimate of the cost incurred in its function of providing services to capital construction projects. This allocation to the projects is determined monthly by calculating 4.5% of the capital costs incurred during the month. In the fiscal year 1981-82, $1,371,000 was capitalized (1980-81, $1,283,000).

2. Long-term debt

	1982 (000's)	1981 (000's)
Serial debentures	$ 185	$ 262 (a)
Newfoundland Municipal Financing Corporation	2,788	3,041 (a)
Municipal Development Loan Board	2,802	2,890 (b)
Northern Canada Power Commission	379	389 (b)
	$6,154	$6,582

Guaranteed as to principal and interest by the Province of Newfoundland except for debentures outstanding of $2,787,923 issued to Newfoundland Municipal Financing Corporation.

a. Debentures

These debentures bear interest at various rates from 5 1/2% to 9 1/2% and each loan is repayable by 15 to 20 equal annual instalments including interest. The years of issue range from 1962 to 1971 and the years of maturity range from 1982 to 1990.

b. Loans from Government of Canada

These loans bear interest at various rates from 5 1/4% to 5 5/8% and each loan is repayable by 15 to 40 equal annual instalments including interest. The years of issue range from 1967 to 1968 and the years of maturity range from 1981 to 2006.

3. Interest expense

Interest expense of $2,604,000 includes $438,000 on long-term debt.

4. **Subsidy**

The Province of Newfoundland provides a subsidy directly to P.D.D. representing the difference between the revenues P.D.D. receives and the cost it pays Hydro for rendering services. As the subsidy includes the financing cost of the long-term debt, the annual accumulated deficit and long-term debt decrease in equal amounts.

Total subsidy for the year was $20,477,000. This included operating subsidy of $20,049,000 and contribution for principal repayment of long-term debt of $428,000.

5. **Comparative figures**

Certain of the 1981 comparative figures have been reclassified to conform with the presentation adopted in 1982.

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DEPARTMENT OF THE AUDITOR GENERAL
ST. JOHN'S, NEWFOUNDLAND

AUDITOR'S REPORT

To the Chairman and Members
of the Public Accountants'
Licensing Board
St. John's, Newfoundland

I have examined the statement of receipts and disbursements of the Public Accountants' Licensing Board for the year ended 31 December 1982. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, this financial statement presents fairly the receipts and disbursements of the Board for the year ended 31 December 1982 prepared on a cash basis of accounting consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
11 April 1983

PUBLIC ACCOUNTANTS' LICENSING BOARD

Statement of Receipts and Disbursements
For the year ended 31 December 1982

	1982	1981
Receipts		
Licenses	$1,460	$1,255
Interest on certificate of deposit	366	403
Total receipts	1,826	1,658
Disbursements		
Salary	600	600
Legal	660	488
Office supplies and expenses	494	399
Meeting	108	84
Telephone	476	176
Bank charges	5	5
Total disbursements	2,343	1,752
Excess of disbursements over receipts	517	94
Bank balances, 1 January		
Current account	1,257	584
Certificate of deposit	2,651	3,418
	3,908	4,002
Bank balances, 31 December		
Current account	460	1,257
Certificate of deposit	2,931	2,651
	$3,391	$3,908

Signed on behalf of the Public Accountants' Licensing Board

J. HALLEY — Chairman

DAVID R. BAIRD — Member

Note: Certain comparative figures have been reclassified to conform with the current year's presentation.

AUDITORS' REPORT

To the Members of the
Board of Commissioners of Public Utilities

We have examined the balance sheet of the Board of Commissioners of Public Utilities as at December 31, 1982 and the statements of revenue, expenditures and surplus and changes in cash position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Board as at December 31, 1982 and the results of its operations and the changes in its cash position for the year then ended in accordance with the accounting principles set out in the notes to the financial statements applied on a basis consistent with that of the preceding year.

DOANE RAYMOND
Chartered Accountants

St. John's, Newfoundland
April 15, 1983

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Balance Sheet
December 31, 1982

	1982	1981
Assets		
Current		
Cash and term deposits	$260,128	$247,294
Investments maturing within one year	9,900	
Receivables		
Assessments and fees	13,739	32,586
Hearing costs	10,540	52,991
Accrued interest	4,293	1,551
Prepaid expenses	11,642	14,932
	310,242	349,354
Investments (Note 2)	35,125	45,025
	$345,367	$394,379
Liabilities		
Current		
Payables and accruals	$ 51,621	$136,107
Motor carriers' deposits	7,680	12,500
Hearing cost deposits	6,578	8,160
	65,879	156,767
Surplus		
Surplus	279,488	237,612
	$345,367	$394,379

Commitments (Note 3)

On Behalf of the Board

J.A.G. McDONALD ____________ Chairman

G.F. LAWRENCE ____________ Commissioner

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Statement of Revenue, Expenditures and Surplus
Year ended December 31, 1982

	1982	1981
Revenue		
Assessments	$ 464,937	$ 432,718
Certificates - motor carriers	484,841	404,791
Fines	19,220	18,566
Hearings	34,597	32,050
Investment income	56,196	53,535
Special recovery	3,069	27,962
Sundry	44,099	37,373
	1,106,959	1,006,995
Expenditures		
Furniture and equipment purchased	—	5,861
Insurance	5,998	5,224
Licence plates	6,324	5,745
Miscellaneous	9,175	2,863
Office supplies and printing expense	49,928	47,287
Pension costs	48,957	45,573
Postage	9,304	6,399
Professional services	74,522	72,297
Rent	99,587	100,163
Salaries and benefits	660,006	616,546
Telephone and telegraph	24,210	24,910
Travelling	38,992	33,879
Vehicle operating	25,279	18,595
Vehicles purchased	12,801	8,160
	1,065,083	993,502
Excess of revenue over expenditures	41,876	13,493
Surplus, beginning of year	237,612	224,119
Surplus, end of year	$ 279,488	$ 237,612

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Statement of Changes in Cash Position

Year ended December 31, 1982

	1982	1981
Cash derived from		
Operations		
Excess of revenue over expenditures	$ 41,876	$ 13,493
Decrease in investments maturing within one year		15,000
Decrease in		
Receivables	58,556	
Prepaid expenses	3,290	
Increase in		
Payables and accruals		80,741
Motor carriers' deposits		1,788
Hearing cost deposits		1,280
	103,722	112,302
Cash applied to		
Increase in		
Receivables		24,780
Prepaid expenses		12,255
Decrease in		
Payables and accruals	84,486	
Motor carriers' deposits	4,820	
Hearing cost deposits	1,582	
	90,888	37,035
Increase in cash	12,834	75,267
Cash, beginning of year	247,294	172,027
Cash, end of year	$260,128	$247,294

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Notes to Financial Statements
December 31, 1982

1. Accounting policies

(a) Operating revenue and expenditures

Operating revenue and expenditures are accounted for on the accrual basis.

(b) Capital expenditures

The Board follows a policy of writing off all capital expenditures to expense in the year of acquisition.

The estimated cost of equipment being utilized by the Board as at December 31, 1982 is:

Equipment and furnishings	$ 82,200
Motor vehicles	56,800
	$139,000

2. Investments, at cost

	Par Value	Cost
Province of Newfoundland and Labrador		
5 1/2% sinking fund debentures, maturing May 15, 1983	$10,000	$ 9,900
6 3/4% sinking fund debentures, maturing January 15, 1992	10,000	9,875
10% sinking fund debentures, maturing February 17, 1996	25,000	25,250
	45,000	45,025
Investment maturing within one year	10,000	9,900
	$35,000	$35,125

3. Commitments

(a) The Board has annual commitments for rental of office space and equipment of approximately $118,500 for the year ending December 31, 1983 and varying amounts for the following four years.

(b) The Board is committed to pension payments to two former employees who were not eligible for pensions under the Public Service (Pension) Act. The commitment for 1983 will approximate $18,400 with an annual escalation provision.

(c) In addition to (b), the Board has a commitment to fund from its surplus future pensions for two of the present commissioners who are not eligible for membership in or benefits from The Public Services (Pensions) Act, 1968. The amount required to fund such pensions can only be established after an actuarial study has been made of all the factors inherent therein.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

The Registrar of the Supreme Court
of Newfoundland
St. John's, Newfoundland

In accordance with the provisions of Section 37(3) of the Judicature Act, Chapter 187 of the Revised Statutes of Newfoundland 1970, I have examined the balance sheet of the Registrar of the Supreme Court of Newfoundland as at 31 March 1980 and the statements of receipts and disbursements of trust accounts and supreme court funds for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances, except as explained in the following paragraph.

My examination disclosed serious deficiencies in the accounting records and in the system of internal control. As a consequence I was unable to satisfy myself that all revenues and expenditures of the estates, over which the Registrar has responsibility, had been recorded. My examination also disclosed that the method of valuing Real Estate is not subject to independent audit verification procedures. In addition my examination disclosed that no formal procedures exist for ensuring that all assets of the estates, over which the Registrar has responsibility, are in fact under the control of and recorded by the Registrar. Note (1) to these financial statements more fully describes certain other accounting policies followed in the preparation of these financial statements.

In view of the possible material effects on the financial statements of the matters described in the preceding paragraph, I am unable to express an opinion on these financial statements.

J.F. McGRATH, C.A.
Auditor General

St. John's
29 June 1982

STATEMENT 1

REGISTRAR OF THE SUPREME COURT OF NEWFOUNDLAND

Balance Sheet
As at 31 March 1980

	1980	1979
Assets		
Cash		
Trust accounts, Statement 2	$1,249,235	$1,209,863
Supreme Court Funds, Statement 3	646,547	548,340
	1,895,782	1,758,203
Bonds, at face value	4,219,110	3,783,903
Securities, at book or market value, cost not determinable	143,451	100,333
Real Estate, at the estimated value at the date of death or at the time of appointment of the Registrar	871,850	968,566
Other assets, at actual or estimated market value, cost not determinable	20,284	40,534
Total assets	$7,150,477	$6,651,539
Liabilities and Trust Equity		
Liabilities		
Supreme Court Funds, balance held pending settlement of various cases	$ 646,547	$ 548,340
Trust Equity		
Mentally incompetent persons	$1,162,907	1,042,014
Deceased persons	2,675,909	2,590,987
Minors	2,665,114	2,470,198
Total trust equity	6,503,930	6,103,199
Total liabilities and trust equity	$7,150,477	$6,651,539

See accompanying notes

EDWARD O'LEARY
Registrar

STATEMENT 2

REGISTRAR OF THE SUPREME COURT OF NEWFOUNDLAND TRUST ACCOUNTS

Statement of Receipts and Disbursements
For the year ended 31 March 1980

	1980	1979
Receipts		
Capital account	$2,471,933	$2,091,043
Current account		
Income from investments	350,256	282,482
Bank interest	109,384	60,922
Rent	2,950	500
Pensions and salary	239,236	191,573
Government assistance	205,508	130,258
Other	46,992	110,705
	954,326	776,440
Total receipts	3,426,259	2,867,483
Disbursements		
Capital account	2,770,464	1,953,396
Current account		
Maintenance	478,893	443,472
Property taxes	3,441	3,079
Income taxes	18,004	3,777
Legal fees	2,856	—
Registrar's commission	29,317	36,279
Insurance and repairs	4,978	1,937
Revenue distribution	66,074	201,742
Other	12,860	28,702
	616,423	718,988
Total disbursements	3,386,887	2,672,384
Excess of receipts over disbursements	39,372	195,099
Cash balance, beginning of year	1,209,863	1,014,764
Cash balance, end of year	$1,249,235	$1,209,863

See accompanying notes

EDWARD O'LEARY
Registrar

STATEMENT 3

REGISTRAR OF THE SUPREME COURT OF NEWFOUNDLAND
SUPREME COURT FUNDS

Statement of Receipts and Disbursements
For the year ended 31 March 1980

	1980	1979
Receipts		
Amounts received from court cases	$294,834	$128,104
Bank interest	50,260	31,429
Total receipts	345,094	159,533
Disbursements		
Principal	224,438	123,499
Interest	22,449	4,360
Total disbursements	246,887	127,859
Excess of receipts over disbursements	98,207	31,674
Cash balance, beginning of year	548,340	516,666
Cash balance, end of year	$646,547	$548,340

See accompanying notes

EDWARD O'LEARY
Registrar

REGISTRAR OF THE SUPREME COURT OF NEWFOUNDLAND

Notes to the Financial Statements
31 March 1980

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1. **Accounting policies**

a. General

The Registrar of the Supreme Court of Newfoundland administers estates of deceased persons when appointed personal representative by the court and administers estates of minors and mentally incompetent persons when appointed by the court or by virtue of Section 20 of the Mentally Incompetent Persons' Estates Act. The Registrar also has custody of funds paid into the Supreme Court in pending actions as well as funds paid into court or to the Registrar under various statutes and these funds are accounted for herein under the heading "Supreme Court Funds".

Individual records are maintained for each estate which indicate the value of assets held by the Registrar except where such value is not readily determinable and, in these cases, a list of the assets is provided. Generally, assets are held for each estate on an individual basis. However, for purposes of financial statement presentation like assets have been grouped.

b. Valuation of assets

1. Bonds are held on behalf of each individual estate and are recorded at face value at year end. This category generally includes such securities as Canada Savings Bonds and Bank and Trust Company Guaranteed Investment Certificates purchased at current value to provide interest income.

2. Securities include certain stocks and bonds owned by the estates at the dates of appointment of the Registrar. The value of such securities at those dates was not determined and no reasonable estimate can readily be made of such value. Therefore, the values provided are estimates of book or market value of such securities.

3. Real Estate held by the Registrar is recorded at the estimated value at the date of death in the case of estates of deceased persons and at the date of appointment in the case of estates of minors and mentally incompetent persons. Such valuations have been determined over many years. In view of the cost necessary to provide current appraisals of Real Estate, estimates have not been made of the market value of these assets at year end.

4. Other assets include numerous items held by the estates at the dates of appointment of the Registrar. The value of such assets at those times was actual market value or, where actual market values are not readily available, estimates of market values.

c. Recognition of income and expenses

The records of the Registrar are maintained on a cash basis and no provision is made for the accrual of revenue or expenditure at the beginning or end of the period.

The office of the Registrar of the Supreme Court of Newfoundland, for administrative purposes, operates as a division of the Department of Justice. Therefore, expenses related to salaries, accommodations, and administration are absorbed by the Department of Justice and no provision has been made in these financial statements for the costs of such items.

2. **Trust accounts**

The Registrar of the Supreme Court of Newfoundland, in certain cases, is appointed by the court as personal representative of the estates of deceased persons or as guardian of estates of minor or mentally incompetent persons. The trust accounts of the Registrar include money and other assets held on behalf of such estates.

A detailed breakdown of the assets held by the Registrar of the Supreme Court of Newfoundland as personal

representative of the estates of deceased persons or guardian of the estates of minors or mentally incompetent persons as at 31 March 1980 is as follows:

	Total	Mentally Incompetent Persons	On behalf of Deceased Persons	Minors
Bank balance	$1,249,235	$ 293,490	$ 574,597	$ 381,148
Bonds - at face value	4,219,110	751,108	1,295,502	2,172,500
Securities - at book or market value	143,451	29,175	2,810	111,466
Real Estate - at estimated value at date of death or date of appointment	871,850	75,000	796,850	—
Other assets - at actual or estimated market value	20,284	14,134	6,150	—
Total assets held	$6,503,930	$1,162,907	$2,675,909	$2,665,114

3. Supreme Court Funds

Supreme Court Funds consist mainly of money received by the Registrar of the Supreme Court of Newfoundland under, inter alia, the following Acts and Rules and Regulations thereunder:

(a) The Judicature Act
(b) The Expropriation Act
(c) The Unsatisfied Judgment Fund
(d) The Insurance Act
(e) The Real Estate Trading Act
(f) The Direct Sellers Act
(g) The Local Government Act, 1972
(h) The Public Utilities (Acquisition of Lands) Act

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

The Registrar of the Supreme Court
of Newfoundland
St. John's, Newfoundland

In accordance with the provisions of Section 37(3) of the Judicature Act, Chapter 187 of the Revised Statutes of Newfoundland 1970, I have examined the balance sheet of the Registrar of the Supreme Court of Newfoundland as at 31 March 1981 and the statements of receipts and disbursements of trust accounts and supreme court funds for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances, except as explained in the following paragraph.

My examination disclosed serious deficiencies in the accounting records and in the system of internal control. As a consequence I was unable to satisfy myself that all revenues and expenditures of the estates, over which the Registrar has responsibility, had been recorded. My examination also disclosed that the method of valuing Real Estate is not subject to independent audit verification procedures. In addition my examination disclosed that no formal procedures exist for ensuring that all assets of the estates, over which the Registrar has responsibility, are in fact under the control of and recorded by the Registrar. Note (1) to these financial statements more fully describes certain other accounting policies followed in the preparation of these financial statements.

In view of the possible material effects on the financial statements of the matters described in the preceding paragraph, I am unable to express an opinion on these financial statements.

J.F. McGRATH, C.A.
Auditor General

St. John's
8 July 1982

STATEMENT 1

REGISTRAR OF THE SUPREME COURT OF NEWFOUNDLAND

Balance Sheet
As at 31 March 1981

	1981	1980
Assets		
Cash		
Trust accounts, Statement 2	$1,084,026	$1,249,235
Supreme Court Funds, Statement 3	1,014,884	646,547
	2,098,910	1,895,782
Bonds, at face value	5,402,994	4,219,110
Securities, at book or market value, cost not determinable	155,704	143,451
Real Estate, at the estimated value at the date of death or at the time of appointment of the Registrar	984,566	871,850
Other assets, at actual or estimated market value, cost not determinable	14,891	20,284
Total assets	$8,657,065	$7,150,477
Liabilities and Trust Equity		
Liabilities		
Supreme Court Funds, balance held pending settlement of various cases	$1,014,884	$ 646,547
Trust Equity		
Mentally incompetent persons	1,437,368	1,162,907
Deceased persons	3,123,021	2,675,909
Minors	3,081,792	2,665,114
Total trust equity	7,642,181	6,503,930
Total liabilities and trust equity	$8,657,065	$7,150,477

See accompanying notes

EDWARD O'LEARY

Registrar

STATEMENT 2

REGISTRAR OF THE SUPREME COURT OF NEWFOUNDLAND TRUST ACCOUNTS

Statement of Receipts and Disbursements
For the year ended 31 March 1981

	1981	1980
Receipts		
Capital account	$4,015,178	$2,471,933
Current account		
Income from investments	449,899	350,256
Bank interest	126,739	109,384
Rent	3,150	2,950
Pensions and salaries	234,577	239,236
Government assistance	269,337	205,508
Other	50,278	46,992
	1,133,980	954,326
Total receipts	5,149,158	3,426,259
Disbursements		
Capital account	4,555,931	2,770,464
Current account		
Maintenance	524,130	478,893
Property taxes	914	3,441
Income taxes	6,354	18,004
Legal fees	8,319	2,856
Registrar's commission	37,639	29,317
Insurance and repairs	3,041	4,978
Revenue distribution	162,367	66,074
Other	15,672	12,860
	758,436	616,423
Total disbursements	5,314,367	3,386,887
Excess of receipts over disbursements	(165,209)	39,372
Cash balance, beginning of year	1,249,235	1,209,863
Cash balance, end of year	$1,084,026	$1,249,235

See accompanying notes

EDWARD O'LEARY
Registrar

STATEMENT 3

REGISTRAR OF THE SUPREME COURT OF NEWFOUNDLAND
SUPREME COURT FUNDS

Statement of Receipts and Disbursements
For the year ended 31 March 1981

	1981	1980
Receipts		
Amounts received from court cases	$ 808,573	$294,834
Bank interest	75,488	50,260
Total receipts	884,061	345,094
Disbursements		
Principal	470,795	224,438
Interest	44,929	22,449
Total disbursements	515,724	246,887
Excess of receipts over disbursements	368,337	98,207
Cash balance, beginning of year	646,547	548,340
Cash balance, end of year	$1,014,884	$646,547

See accompanying notes

EDWARD O'LEARY
Registrar

REGISTRAR OF THE SUPREME COURT OF NEWFOUNDLAND

Notes to the Financial Statements

31 March 1981

1. **Accounting policies**

   a. General

   The Registrar of the Supreme Court of Newfoundland administers estates of deceased persons when appointed personal representative by the court and administers estates of minors and mentally incompetent persons when appointed by the court or by virtue of Section 20 of the Mentally Incompetent Persons' Estates Act. The Registrar also has custody of funds paid into the Supreme Court in pending actions as well as funds paid into court or to the Registrar under various statutes and these funds are accounted for herein under the heading "Supreme Court Funds".

   Individual records are maintained for each estate which indicate the value of assets held by the Registrar except where such value is not readily determinable and, in these cases, a list of the assets is provided. Generally, assets are held for each estate on an individual basis. However, for purposes of financial statement presentation like assets have been grouped.

   b. Valuation of assets

      1. Bonds are held on behalf of each individual estate and are recorded at face value at year end. This category generally includes such securities as Canada Savings Bonds and Bank and Trust Company Guaranteed Investment Certificates purchased at current value to provide interest income.

      2. Securities include certain stocks and bonds owned by the estates at the dates of appointment of the Registrar. The value of such securities at those dates was not determined and no reasonable estimate can readily be made of such value. Therefore, the values provided are estimates of book or market value of such securities.

      3. Real Estate held by the Registrar is recorded at the estimated value at the date of death in the case of estates of deceased persons and at the date of appointment in the case of estates of minors and mentally incompetent persons. Such valuations have been determined over many years. In view of the cost necessary to provide current appraisals of Real Estate, estimates have not been made of the market value of these assets at year end.

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   c. Recognition of income and expenses

   The records of the Registrar are maintained on a cash basis and no provision is made for the accrual of revenue or expenditure at the beginning or end of the period.

   The office of the Registrar of the Supreme Court of Newfoundland, for administrative purposes, operates as a division of the Department of Justice. Therefore, expenses related to salaries, accommodations, and administration are absorbed by the Department of Justice and no provision has been made in these financial statements for the costs of such items.

2. **Trust accounts**

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A detailed breakdown of the assets held by the Registrar of the Supreme Court of Newfoundland as personal

representative of the estates of deceased persons or guardian of the estates of minors or mentally incompetent persons as at 31 March 1981 is as follows:

	Total	Mentally Incompetent Persons	On behalf of Deceased Persons	Minors
Bank balance	$1,084,026	$ 358,213	$ 559,084	$ 166,729
Bonds - at face value	5,402,994	970,089	1,621,555	2,811,350
Securities - at book or market value	155,704	50,325	1,666	103,713
Real Estate - at estimated value at date of death or date of appointment	984,566	50,000	934,566	—
Other assets - at actual or estimated market value	14,891	8,741	6,150	—
Total assets held	$7,642,181	$1,437,368	$3,123,021	$3,081,792

3. Supreme Court Funds

Supreme Court Funds consist mainly of money received by the Registrar of the Supreme Court of Newfoundland under, inter alia, the following Acts and Rules and Regulations thereunder:

(a) The Judicature Act
(b) The Expropriation Act
(c) The Unsatisfied Judgment Fund
(d) The Insurance Act
(e) The Real Estate Trading Act
(f) The Direct Sellers Act
(g) The Local Government Act, 1972
(h) The Public Utilities (Acquisition of Lands) Act

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

The Registrar of the Supreme Court
of Newfoundland
St. John's, Newfoundland

In accordance with the provisions of Section 37(3) of the Judicature Act, Chapter 187 of the Revised Statutes of Newfoundland 1970, I have examined the balance sheet of the Registrar of the Supreme Court of Newfoundland as at 31 March 1982 and the statements of receipts and disbursements of trust accounts and supreme court funds for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances, except as explained in the following paragraph.

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In view of the possible material effects on the financial statements of the matters described in the preceding paragraph, I am unable to express an opinion on these financial statements.

J.F. McGRATH, C.A.
Auditor General

St. John's
14 January 1983

STATEMENT 1

REGISTRAR OF THE SUPREME COURT OF NEWFOUNDLAND

Balance Sheet
As at 31 March 1982

	1982	1981 Restated
Assets		
Cash		
Trust accounts, Statement 2	$1,505,466	$1,084,026
Supreme Court Funds, Statement 3	936,099	1,014,884
	2,441,565	2,098,910
Bonds, at face value	5,776,517	5,402,994
Securities, at book or market value, cost not determinable	165,714	155,704
Real Estate, at the estimated value at the date of death or at the time of appointment of the Registrar	1,319,361	1,053,566
Other assets	15,591	14,891
Total assets	$9,718,748	$8,726,065
Liabilities and Trust Equity		
Liabilities		
Supreme Court Funds, balance held pending settlement of various cases	$ 936,099	$1,014,884
Trust Equity		
Mentally incompetent persons	1,567,143	1,532,868
Deceased persons	3,648,121	3,096,521
Minors	3,567,385	3,081,792
Total trust equity	8,782,649	7,711,181
Total liabilities and trust equity	$9,718,748	$8,726,065

See accompanying notes

EDWARD O'LEARY
Registrar

STATEMENT 2

REGISTRAR OF THE SUPREME COURT OF NEWFOUNDLAND TRUST ACCOUNTS

Statement of Receipts and Disbursements

For the year ended 31 March 1982

	1982	1981
Receipts		
Capital account	$3,396,746	$4,015,178
Current account		
Income from investments	696,145	449,899
Bank interest	158,276	126,739
Rent	1,605	3,150
Pensions and salaries	164,159	234,577
Government assistance	176,499	269,337
Other	132,563	50,278
	1,329,247	1,133,980
Total receipts	4,725,993	5,149,158
Disbursements		
Capital account	3,438,634	4,555,931
Current account		
Maintenance	409,855	524,130
Property taxes	822	914
Income taxes	33,914	6,354
Legal fees	125	8,319
Registrar's commission	28,719	37,639
Insurance and repairs	1,327	3,041
Revenue distribution	317,741	162,367
Other	73,416	15,672
	865,919	758,436
Total disbursements	4,304,553	5,314,367
Excess of receipts over disbursements	421,440	(165,209)
Cash balance, beginning of year	1,084,026	1,249,235
Cash balance, end of year	$1,505,466	$1,084,026

See accompanying notes

EDWARD O'LEARY
Registrar

STATEMENT 3

REGISTRAR OF THE SUPREME COURT OF NEWFOUNDLAND

SUPREME COURT FUNDS

Statement of Receipts and Disbursements
For the year ended 31 March 1982

	1982	1981
Receipts		
Amounts received from court cases	$ 528,089	$ 808,573
Bank interest	182,974	75,488
Total receipts	711,063	884,061
Disbursements		
Principal	685,958	470,795
Interest	103,890	44,929
Total disbursements	789,848	515,724
Excess of receipts over disbursements	(78,785)	368,337
Cash balance, beginning of year	1,014,884	646,547
Cash balance, end of year	$ 936,099	$1,014,884

See accompanying notes

EDWARD O'LEARY
Registrar

REGISTRAR OF THE SUPREME COURT OF NEWFOUNDLAND

Notes to the Financial Statements
31 March 1982

1. Accounting policies

a. General

The Registrar of the Supreme Court of Newfoundland administers estates of deceased persons when appointed personal representative by the court and administers estates of minors and mentally incompetent persons when appointed by the court or by virtue of Section 20 of the Mentally Incompetent Persons' Estates Act. The Registrar also has custody of funds paid into the Supreme Court in pending actions as well as funds paid into court or to the Registrar under various statutes and these funds are accounted for herein under the heading ''Supreme Court Funds''

Individual records are maintained for each estate which indicate the value of assets held by the Registrar except where such value is not readily determinable and, in these cases, a list of the assets is provided. Generally, assets are held for each estate on an individual basis. However, for purposes of financial statement presentation like assets have been grouped.

b. Valuation of assets

1. Bonds are held on behalf of each individual estate and are recorded at face value at year end. This category generally includes such securities as Canada Savings Bonds and Bank and Trust Company Guaranteed Investment Certificates purchased at current value to provide interest income.

2. Securities include certain stocks and bonds owned by the estates at the dates of appointment of the Registrar. The value of such securities at those dates was not determined and no reasonable estimate can readily be made of such value. Therefore, the values provided are estimates of book or market value of such securities.

3. Real Estate held by the Registrar is recorded at the estimated value at the date of death in the case of estates of deceased persons and at the date of appointment in the case of estates of minors and mentally incompetent persons. Such valuations have been determined over many years. In view of the cost necessary to provide current appraisals of Real Estate, estimates have not been made of the market value of these assets at year end.

4. Other assets include numerous assets held by the estates at the dates of appointment of the Registrar. Current market values have not been obtained for all those assets.

c. Recognition of income and expenses

The records of the Registrar are maintained on a cash basis and no provision is made for the accrual of revenue or expenditure at the beginning or end of the period.

The office of the Registrar of the Supreme Court of Newfoundland, for administrative purposes, operates as a division of the Department of Justice. Therefore, expenses related to salaries, accommodations, and administration are absorbed by the Department of Justice and no provision has been made in these financial statements for the costs of such items.

2. Trust accounts

The Registrar of the Supreme Court of Newfoundland, in certain cases, is appointed by the court as personal representative of the estates of deceased persons or as guardian of estates of minor or mentally incompetent persons. The trust accounts of the Registrar include money and other assets held on behalf of such estates.

A detailed breakdown of the assets held by the Registrar of the Supreme Court of Newfoundland as personal

representative of the estates of deceased persons or guardian of the estates of minors or mentally incompetent persons as at 31 March 1982 is as follows:

	Total	Mentally Incompetent Persons	On behalf of Deceased Persons	Minors
Bank balance	$1,505,466	$ 313,442	$ 705,556	$ 486,468
Bonds - at face value	5,776,517	1,015,085	1,890,474	2,870,958
Securities - at book or market value	165,714	33,675	8,611	123,428
Real Estate - at estimated value at date of death or date of appointment	1,319,361	195,500	1,037,330	86,531
Other assets	15,591	9,441	6,150	—
Total assets held	$8,782,649	$1,567,143	$3,648,121	$3,567,385

3 Supreme Court Funds

Supreme Court Funds consist mainly of money received by the Registrar of the Supreme Court of Newfoundland under, inter alia, the following Acts and Rules and Regulations thereunder:

(a) The Judicature Act
(b) The Expropriation Act
(c) The Unsatisfied Judgment Fund
(d) The Insurance Act
(e) The Real Estate Trading Act
(f) The Direct Sellers Act
(g) The Local Government Act, 1972
(h) The Public Utilities (Acquisition of Lands) Act

4 Restatement of prior period financial statement

The Balance Sheet as at 31 March 1981, which is presented for comparative purposes, has been restated to reflect certain Real Estate transactions that were omitted in error. As a result of the correction of these errors, Real Estate as at 31 March 1981 has been increased by $69,000, Trust Equity — Mentally Incompetent Persons has been increased by $95,500 and Trust Equity — Deceased Persons has been decreased by $26,500. The Balance Sheet as at 31 March 1982 reflects fairly the results of the above corrections.

DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders
St. John's Infirmary Building
Corporation Limited
St. John's, Newfoundland

I have examined the balance sheet of the St. John's Infirmary Building Corporation Limited as at 31 March 1981 and the statement of income and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the corporation as at 31 March 1981 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J. F. McGRATH, C. A.
Auditor General

St. John's, Newofundland
7 December 1982

ST. JOHN'S INFIRMARY

Balance
31 March

	1981	1980
Assets		
Current assets		
Accounts receivable	$ 2,408	$ 1,366
Accrued rent	9,955	9,955
Prepaid expenses	3,530	4,034
	15,893	15,355
Fixed assets, at cost (Note 4)		
Land	105,587	105,587
Building and equipment	4,103,074	4,103,074
	4,208,661	4,208,661
Less: Government grant in aid of construction	24,452	24,452
	4,184,209	4,184,209
Intangible assets		
Organization expense	254	254
Sinking fund assets held by trustee		
Cash	—	38,053
Investments, at cost (Note 2)	2,592,491	2,235,090
Accrued interest	14,953	12,173
	2,607,444	2,285,316
Total assets	$6,807,800	$6,485,134

STATEMENT 1

BUILDING CORPORATION LIMITED

Sheet
1981

		1981	1980
Liabilities			
Current liabilities			
Accrued interest on bonds		$ 9,955	$ 9,955
Deferred revenue - per contra		3,530	4,034
		13,485	13,989
Long-term debt (Note 4)			
5 3/4% First Mortgage Sinking Fund Bonds dated 15 March 1965, maturing 15 March 1990		4,155,000	4,155,000
Total liabilities		4,168,485	4,168,989
Shareholder's Equity			
Share capital			
Authorized 100 common shares of par value of $1,000	$100,000		
Issued and fully paid — 3 shares		3,000	3,000
Retained earnings		28,871	27,829
Sinking fund balance		2,607,444	2,285,316
Total shareholders' equity		2,639,315	2,316,145
Total liabilities and shareholders' equity		$6,807,800	$6,485,134

See accompanying notes

Signed on behalf of the Board of Directors

PHILIP J. WALL	GILBERT G. GILL
Director	Director

STATEMENT 2

ST. JOHN'S INFIRMARY BUILDING CORPORATION LIMITED

Statement of Income and Retained Earnings

For the year ended 31 March 1981

	1981	1980
Income		
Province of Newfoundland		
Rental of St. John's Infirmary	$339,886	$340,981
Interest income	1,042	405
	340,928	341,386
Expenditure		
Debt charges		
Payments to trustee for bondholders on account of principal and interest on First Mortgage Sinking Fund Bonds		
Principal	88,281	88,281
Interest	238,913	238,913
	327,194	327,194
Trustee's fees and sundry	5,129	5,329
Fire insurance	7,563	8,458
	339,886	340,981
Net income	1,042	405
Retained earnings - beginning of year	27,829	27,424
Retained earnings - end of year	$ 28,871	$ 27,829

See accompanying notes

ST. JOHN'S INFIRMARY BUILDING CORPORATION LIMITED

Notes to Financial Statements

31 March 1981

1. **Accounting policies**

(a) **Fixed assets**

Fixed assets are not being depreciated but payments of principal and interest on long-term debt are expensed in the financial statements.

Certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholders and which were paid for by the Lessee, are not included in these financial statements.

(b) **Interest income**

All payments on account of interest on the First Mortgage Sinking Fund Bonds are paid into a Debt Service Fund. The interest on the Fund is recorded as interest income and is periodically paid to the Province as a distribution of surplus.

All payments on account of principal on the First Mortgage Sinking Fund Bonds are paid into the Sinking Fund. Interest earned on Sinking Fund investments is reinvested in the Sinking Fund and thus is not shown as income of the corporation.

(c) **Rental revenue**

The rental revenue received from the Province is equal to the annual amount required to be paid on account of principal and interest and other expenses. Thus, accrued rent and deferred revenue equal accrued interest on bonds and prepaid expenses of the corporation.

2. **Sinking Fund Investments**

	Principal Amount	Market Value	Cost
Province of Newfoundland — Various issues maturing October 1980 to September 1994	$ 445,000	$ 308,350	$ 450,208
Grace Hospital Extension Corporation Limited — 6 1/4% First Mortgage Bonds maturing 1 February 1991	224,000	129,521	188,075
St. John's Infirmary Building Corporation Limited — 5 3/4% Bond maturing 15 March 1990	1,000,000	572,220	698,500
Guaranteed income certificates	1,255,708	1,255,708	1,255,708
	$2,924,708	$2,265,799	$2,592,491

3. During each of the ensuing five years principal payments of $88,281 are required to be made to the Sinking Fund.

4. Fixed assets have been pledged as security for the long-term debt.

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders
St. John's Infirmary Building
Corporation Limited
St. John's, Newfoundland

I have examined the balance sheet of the St. John's Infirmary Building Corporation Limited as at 31 March 1982 and the statement of income and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the corporation as at 31 March 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newofundland
3 March 1983

ST. JOHN'S INFIRMARY

Balance
31 March

	1982	1981
Assets		
Current assets		
Accounts receivable	$ 2,981	$ 2,408
Accrued rent	9,955	9,955
Prepaid expenses	3,530	3,530
	16,466	15,893
Fixed assets, at cost (Note 4)		
Land	105,587	105,587
Building and equipment	4,103,074	4,103,074
	4,208,661	4,208,661
Less: Government grant in aid of construction	24,452	24,452
	4,184,209	4,184,209
Intangible assets		
Organization expense	254	254
Sinking fund assets held by trustee		
Investments, at cost (Note 2)	3,006,624	2,592,491
Accrued interest	32,992	14,953
	3,039,616	2,607,444
Total assets	$7,240,545	$6,807,800

STATEMENT 1

BUILDING CORPORATION LIMITED

Sheet
1982

		1982	1981
Liabilities			
Current liabilities			
Accrued interest on bonds		$ 9,955	$ 9,955
Deferred revenue - per contra		3,530	3,530
		13,485	13,485
Long-term debt (Note 4)			
5 3/4% First Mortgage Sinking Fund Bonds dated 15 March 1965, maturing 15 March 1990		4,155,000	4,155,000
Total liabilities		4,168,485	4,168,485
Shareholder's Equity			
Share capital			
Authorized 100 common shares of par value of $1,000	$100,000		
Issued and fully paid — 3 shares		3,000	3,000
Retained earnings		29,444	28,871
Sinking fund balance		3,039,616	2,607,444
Total shareholders' equity		3,072,060	2,639,315
Total liabilities and shareholders' equity		$7,240,545	$6,807,800

See accompanying notes

Signed on behalf of the Board of Directors

PHILIP J. WALL
Director

GILBERT G. GILL
Director

STATEMENT 2

ST. JOHN'S INFIRMARY BUILDING CORPORATION LIMITED

Statement of Income and Retained Earnings
For the year ended 31 March 1982

	1982	1981
Income		
Province of Newfoundland		
Rental of St. John's Infirmary	$339,368	$339,886
Interest income	1,352	1,042
	340,720	340,928
Expenditure		
Debt charges		
Payments to trustee for bondholders on account of principal and interest on First Mortgage Sinking Fund Bonds		
Principal	88,281	88,281
Interest	238,913	238,913
	327,194	327,194
Trustee's fees and sundry	5,114	5,129
Fire insurance	7,060	7,563
	339,368	339,886
Net income	1,352	1,042
Retained earnings - beginning of year	28,871	27,829
	30,223	28,871
Paid to Province of Newfoundland	779	—
Retained earnings - end of year	$ 29,444	$ 28,871

See accompanying notes

ST. JOHN'S INFIRMARY BUILDING CORPORATION LIMITED

Notes to Financial Statements

31 March 1982

1. **Accounting policies**

(a) **Fixed assets**

Fixed assets are not being depreciated but payments of principal and interest on long-term debt are expensed in the financial statements.

Certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholders and which were paid for by the Lessee, are not included in these financial statements.

(b) **Interest income**

All payments on account of interest on the First Mortgage Sinking Fund Bonds are paid into a Debt Service Fund. The interest on the Fund is recorded as interest income and is periodically paid to the Province as a distribution of surplus.

All payments on account of principal on the First Mortgage Sinking Fund Bonds are paid into the Sinking Fund. Interest earned on Sinking Fund investments is reinvested in the Sinking Fund and thus is not shown as income of the corporation.

(c) **Rental revenue**

The rental revenue received from the Province is equal to the annual amount required to be paid on account of principal and interest and other expenses. Thus, accrued rent and deferred revenue equal accrued interest on bonds and prepaid expenses of the corporation.

2. **Sinking Fund Investments**

	Principal Amount	Market Value	Cost
Province of Newfoundland —			
Various issues maturing			
October 1980 to September 1994	$ 445,000	$ 286,999	$ 450,208
Grace Hospital Extension			
Corporation Limited —			
6 1/4% First Mortgage			
Bonds maturing 1 February 1991	224,000	110,880	188,075
St. John's Infirmary Building			
Corporation Limited —			
5 3/4% Bond maturing			
15 March 1990	1,000,000	537,370	698,500
Guaranteed income certificates	1,669,841	1,669,841	1,669,841
	$3,338,841	$2,605,090	$3,006,624

3. During each of the ensuing five years principal payments of $88,281 are required to be made to the Sinking Fund.

4. Fixed assets have been pledged as security for the long-term debt.

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders
Vocational Schools (Western)
Building Corporation Limited
St. John's, Newfoundland

I have examined the balance sheet of the Vocational Schools (Western) Building Corporation Limited as at 31 March 1981 and the statement of income and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at 31 March 1981 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J.F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
16 December 1982

VOCATIONAL SCHOOLS (WESTERN)

Balance
31 March

	1981	1980
Assets		
Current assets		
Accounts receivable	$ 1,669	$ 1,527
Prepaid expenses	2,013	2,014
	3,682	3,541
Fixed assets, at cost (Note 3)		
Vocational schools		
Corner Brook —		
Land	100,000	100,000
Building	3,184,332	3,184,332
Equipment	541,776	541,776
	3,826,108	3,826,108
Grand Falls —		
Land	66,000	66,000
Building	2,242,648	2,242,648
Equipment	318,586	318,586
	2,627,234	2,627,234
	6,453,342	6,453,342
Less: Government grant in aid of construction	2,340,152	2,340,152
	4,113,190	4,113,190
Intangible assets		
Organization expenses	276	276
Total assets	$4,117,148	$4,117,007

STATEMENT I

BUILDING CORPORATION LIMITED

Sheet
1981

		1981	1980
Liabilities			
Current liabilities			
Accounts payable - Province of Newfoundland		$ 80,569	$ 80,569
Deferred revenue - per contra		2,013	2,014
Current portion of long-term debt		209,000	197,000
		291,582	279,583
Long-term debt (Notes 2 and 3)			
First Mortgage Sinking Fund Bonds			
6% Series "B" dated 15 February 1963, maturing 31 March 1988		1,549,000	1,758,000
Total liabilities		1,840,582	2,037,583
Shareholders' Equity			
Share capital			
Authorized 100 common shares of par value of $1,000 each	$100,000		
Issued and fully paid 3 shares		3,000	3,000
Retained earnings		31,566	31,424
Capital contributions			
Repayment of long-term debt by Province of Newfoundland		2,242,000	2,045,000
Total shareholders' equity		2,276,566	2,079,424
Total liabilities and shareholders' equity		$4,117,148	$4,117,007

See accompanying notes

Signed on behalf of the Board of Directors

GILBERT G. GILL
Director

PHILIP J. WALL
Director

STATEMENT 2

VOCATIONAL SCHOOLS (WESTERN) BUILDING CORPORATION LIMITED

Statement of Income and Retained Earnings
For the year ended 31 March 1981

	1981	1980
Income		
Province of Newfoundland		
Rental of Corner Brook and Grand Falls Vocational Schools	$320,808	$321,710
Interest income	2,213	1,850
	323,021	323,560
Expenditure		
Debt charges		
Payments to trustee for bondholders on account of principal and interest on First Mortgage Bonds		
Principal	197,000	186,000
Interest	114,390	125,700
	311,390	311,700
Trustee's fees and sundry	1,365	1,356
Fire insurance	8,053	8,654
	320,808	321,710
Net income	2,213	1,850
Retained earnings, beginning of year	31,424	31,094
	33,637	32,944
Amount paid to the Province	2,071	1,520
Retained earnings, end of year	$ 31,566	$ 31,424

See accompanying notes

VOCATIONAL SCHOOLS (WESTERN) BUILDING CORPORATION LIMITED

Notes to Financial Statements

31 March 1981

1. **Accounting policies**

   (a) **Fixed assets**

   Fixed assets are not being depreciated but payments of principal and interest on long-term debt are expensed in the financial statements.

   Certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholders and which were paid for by the Lessee, are not included in these accounts.

   (b) **Interest income**

   All payments on account of principal and interest on the First Mortgage Bonds are paid into a Debt Service Fund. The interest on the Fund is recorded as interest income and is periodically paid to the Province as a distribution of surplus.

   (c) **Rental revenue**

   The rental revenue received from the Province is equal to the annual amount required to be paid on account of principal and interest and other expenses.

   Thus, deferred revenue equals prepaid expenses of the corporation.

2. Principal payments coming due on the First Mortgage Sinking Fund Bonds from 1981-1982 to 1985-1986 are $209,000; $222,000; $235,000; $250,000; and $264,000 respectively.

3. Fixed assets have been pledged as security for the long-term debt.

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DEPARTMENT OF THE AUDITOR GENERAL
St. John's, Newfoundland

AUDITOR'S REPORT

To the Shareholders
Vocational Schools (Western)
Building Corporation Limited
St. John's, Newfoundland

I have examined the balance sheet of the Vocational Schools (Western) Building Corporation Limited as at 31 March 1982 and the statement of income and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at 31 March 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J. F. McGRATH, C.A.
Auditor General

St. John's, Newfoundland
30 December 1982

VOCATIONAL SCHOOLS (WESTERN)

Balance
31 March

	1982	1981
Assets		
Current assets		
Accounts receivable	$ 1,247	$ 1,669
Prepaid expenses	1,151	2,013
	2,398	3,682
Fixed assets, at cost (Note 3)		
Vocational schools		
Corner Brook —		
Land	100,000	100,000
Building	3,184,332	3,184,332
Equipment	541,776	541,776
	3,826,108	3,826,108
Grand Falls —		
Land	66,000	66,000
Building	2,242,648	2,242,648
Equipment	318,586	318,586
	2,627,234	2,627,234
	6,453,342	6,453,342
Less: Government grant in aid of construction	2,340,152	2,340,152
	4,113,190	4,113,190
Intangible assets		
Organization expenses	276	276
Total assets	$4,115,864	$4,117,148

STATEMENT 1

BUILDING CORPORATION LIMITED

Sheet

1982

		1982	1981
Liabilities			
Current liabilities			
Accounts payable - Province of Newfoundland		$ 80,569	$ 80,569
Deferred revenue - per contra		1,151	2,013
Current portion of long-term debt		222,000	209,000
		303,720	291,582
Long-term debt (Notes 2 and 3)			
First Mortgage Sinking Fund Bonds			
6% Series "B" dated 15 February 1963, maturing 31 March 1988		1,327,000	1,549,000
Total liabilities		1,630,720	1,840,582
Shareholders' Equity			
Share capital			
Authorized 100 common shares of par value of $1,000 each	$100,000		
Issued and fully paid 3 shares		3,000	3,000
Retained earnings		31,144	31,566
Capital contributions			
Repayment of long-term debt by Province of Newfoundland		2,451,000	2,242,000
Total shareholders' equity		2,485,144	2,276,566
Total liabilities and shareholders' equity		$4,115,864	$4,117,148

See accompanying notes

Signed on behalf of the Board

GILBERT G. GILL
Director

PHILIP J. WALL
Director

STATEMENT 2

VOCATIONAL SCHOOLS (WESTERN) BUILDING CORPORATION LIMITED

Statement of Income and Retained Earnings
For the year ended 31 March 1982

	1982	1981
Income		
Province of Newfoundland		
Rental of Corner Brook and Grand Falls Vocational Schools	$318,199	$320,808
Interest income	3,485	2,213
	321,684	323,021
Expenditure		
Debt charges		
Payments to trustee for bondholders on account of principal and interest on First Mortgage Bonds		
Principal	209,000	197,000
Interest	102,390	114,390
	311,390	311,390
Trustee's fees and sundry	1,342	1,365
Fire insurance	5,467	8,053
	318,199	320,808
Net income	3,485	2,213
Retained earnings, beginning of year	31,566	31,424
	35,051	33,637
Amount paid to the Province	3,907	2,071
Retained earnings, end of year	$ 31,144	$ 31,566

See accompanying notes

VOCATIONAL SCHOOLS (WESTERN) BUILDING CORPORATION LIMITED

Notes to Financial Statements

31 March 1982

1. **Accounting policies**

   (a) **Fixed assets**

   Fixed assets are not being depreciated but payments of principal and interest on long-term debt are expensed in the financial statements.

   Certain alterations and the replacement and disposal of equipment, which in total do not adversely affect the security of the bondholders and which were paid for by the Lessee, are not included in these accounts.

   (b) **Interest income**

   All payments on account of principal and interest on the First Mortgage Bonds are paid into a Debt Service Fund. The interest on the Fund is recorded as interest income and is periodically paid to the Province as a distribution of surplus.

   (c) **Rental revenue**

   The rental revenue received from the Province is equal to the annual amount required to be paid on account of principal and interest and other expenses.

   Thus, deferred revenue equals prepaid expenses of the corporation.

2. Principal payments coming due on the First Mortgage Sinking Fund Bonds from 1982-1983 to 1986-1987 are $222,000; $235,000; $250,000; $264,000 and $280,000 respectively.

3. Fixed assets have been pledged as security for the long-term debt.

AUDITOR'S REPORT

To the Clerk of the Executive Council

We have examined the balance sheet of The Workers' Compensation Board of Newfoundland and Labrador as at December 31, 1982 and the statements of revenue, expenditure and provisional operating deficit and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Board as at December 31, 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Doane Raymond
Chartered Accountants

St. John's, Newfoundland
March 9, 1983

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THE WORKERS' COMPENSATION BOARD

Balance
December

	1982	1981
Assets		
Current		
Cash	$ 154,248	$ 1,145,438
Temporary investments, at cost	300,000	2,850,000
Receivables		
Assessments (less allowance for doubtful accounts; $928,522; 1981 - $884,613)	3,817,378	3,417,535
Self-insurers	75,353	11,530
Interest	974,009	947,440
Other	11,491	5,854
	5,332,479	8,377,797
Long term assessments receivable, less current portion	317,020	
Investments, at book value (Note 2)	48,308,255	47,205,700
Land, building, furniture and fixtures (Note 3)	3,985,192	3,695,323
	$57,942,946	$59,278,820

EXHIBIT I

OF NEWFOUNDLAND AND LABRADOR

Sheet
31, 1982

	1982	1981
Liabilities		
Current		
Payables and accruals		
Suppliers	$ 116,377	$ 72,466
Occupational Health and Safety	386,394	279,260
Due to employers	280,718	263,805
	783,489	615,531
Estimated liability for future costs of existing claims	14,812,380	12,712,236
Liability for pension awards	38,719,474	32,110,225
	54,315,343	45,437,992
Reserves		
Disaster	2,303,563	2,044,749
Enhanced disabilities	411,906	275,379
Recapitalization	6,244,833	6,745,204
	8,960,302	9,065,332
Surplus (Deficit)		
Provisional operating reserve (deficit)	(5,332,699)	4,775,496
	$57,942,946	$59,278,820

On behalf of the Board

ED MAYNARD
Chairman

A.G. ROSE
Commissioner

EXHIBIT 2

THE WORKERS' COMPENSATION BOARD OF NEWFOUNDLAND AND LABRADOR

Statement of Revenue, Expenditure and Provisional Operating Deficit Year ended December 31, 1982

	1982 Transactions	Prior Years' Transactions	Totals 1982	Totals 1981
Revenue				
Assessments	$ 20,935,274	$ 604,260	$ 21,539,534	$ 20,150,871
Self-insurers	400,999	793,945	1,194,944	850,779
Interest on investments (includes $1,703,054 allocated to classes; 1981 - $1,917,454)	5,368,429		5,368,429	5,641,889
	26,704,702	1,398,205	28,102,907	26,643,539
Expenditure				
Claims and pension awards				
Compensation	6,506,949	7,205,510	13,712,459	10,249,649
Medical aid	1,466,557	2,808,670	4,275,227	3,172,860
Pension awards	2,421,307	5,966,703	8,388,010	5,401,654
Rehabilitation	815,355		815,355	294,880
	11,210,168	15,980,883	27,191,051	19,119,043
Less: Portion charged to Reserves	3,028,368	3,916,902	6,945,270	4,058,990
Estimated liability for future costs of existing claims		11,270,036	11,270,036	8,119,886
	8,181,800	793,945	8,975,745	5,940,167
Transfers to				
Estimated liability for future costs of existing claims	7,713,362	5,656,818	13,370,180	10,279,826
Disaster reserve	4,195,837	60,429	4,256,266	2,063,808
Enhanced disabilities reserve	419,583	6,043	425,626	209,988
Recapitalization reserve	2,097,919	60,429	2,158,348	2,063,808
Interest transferred to liabilities and reserves	3,665,375		3,665,375	3,724,435
Occupational Health and Safety (Note 5)	2,485,655		2,485,655	2,141,019
Administrative	2,873,907		2,873,907	2,149,444
	31,633,438	6,577,664	38,211,102	29,572,495
Excess of expenditure over revenue	$ (4,928,736)	$ (5,179,459)	(10,108,195)	(2,928,956)
Provisional operating reserve, beginning of year			4,775,496	7,704,452
Provisional operating reserve (deficit), end of year			$ (5,332,699)	$ 4,775,496

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THE WORKERS' COMPENSATION BOARD

Statement of Liabilities
Year ended

Costs of	Estimated Liability for Future Costs of Existing Claims
Balance, beginning of year	$ 12,712,236
Deductions:	
Benefits paid or charged with respect to claims	11,270,036
	1,442,200
Additions:	
Transfers	13,370,180
Interest earnings	
Balance, end of year	$ 14,812,380

EXHIBIT 3

OF NEWFOUNDLAND AND LABRADOR

and Reserves
December 31, 1982

Liability For Pension Awards	Disaster Reserve	Enhanced Disabilities Reserve	Recapitalization Reserve
$ 32,110,225	$ 2,044,749	$ 275,379	$ 6,745,204
5,041,375	3,997,452	289,099	2,658,719
27,068,850	(1,952,703)	(13,720)	4,086,485
7,985,249	4,256,266	425,626	2,158,348
3,665,375			
$ 38,719,474	$ 2,303,563	$ 411,906	$ 6,244,833

EXHIBIT 4

THE WORKERS' COMPENSATION BOARD OF NEWFOUNDLAND AND LABRADOR

Statement of changes in Financial Position
Year ended December 31, 1982

	1982	1981
Working capital derived from		
Sales and maturities of investment	$ 6,997,725	$ 30,900
Increase in liabilities and reserves	32,654,989	23,466,482
	39,652,714	23,497,382
Working capital applied to		
Operations		
Excess of expenditure over revenue	10,108,195	2,928,956
Depreciation of		
Building	(102,752)	(98,509)
Furniture and fixtures	(31,797)	(6,330)
Amortization of premiums on investments	(39,139)	(7,318)
	9,934,507	2,816,799
Increase in long-term assessments receivable	317,020	
Purchase of		
Land		10,830
Building	169,744	
Furniture and fixturees	254,674	
Investments	8,139,418	2,901,187
Benefits paid or charged with respect to claims	24,050,627	16,516,753
	42,865,990	22,245,569
Increase (decrease) in working capital	(3,213,276)	1,251,813
Working capital, beginning of year	7,762,266	6,510,453
Working capital, end of year	$ 4,548,990	$ 7,762,266

EXHIBIT 5

THE WORKERS' COMPENSATION BOARD OF NEWFOUNDLAND AND LABRADOR

Administrative Expenses

Year ended December 31, 1982

		1982	1981
Salaries and benefits - Board and staff		$ 1,977,491	$ 1,416,597
Computer services		353,388	182,841
Building operation and maintenance		191,395	161,021
Telephone, postage and general office		220,590	137,428
Printing and supplies		94,653	108,380
Depreciation		134,550	104,839
Professional services		134,461	80,116
Review committee		300	79,620
Traveling - Board and staff		99,432	71,329
Equipment		72,146	52,931
Miscellaneous		28,908	47,573
Vehicle operating		36,111	26,559
Medical and X-rays			2,620
		3,343,425	2,471,854
Deduct:			
Rental income		275,193	197,001
		3,068,232	2,274,853
Administration expenses charged to self-insurers as follows:			
Canadian National Railways	$ 37,446		
Government of Newfoundland	54,165		
Canadian National Marine	34,220		
Government of Canada	63,113		
Quebec North Shore and Labrador Railway	3,113		
Memorial University of Newfoundland	2,268	194,325	125,409
		$ 2,873,907	$2,149,444

THE WORKERS' COMPENSATION BOARD

Statement of Revenue, Expenditure and
Year ended

	1982 Totals	Class 1 Mining	Class 2 Forest Products
Revenue			
Assessments	$21,539,534	$ 2,355,049	$ 2,132,677
Self-insurers	1,194,944		
Interest on investments			
Allocated to classes	1,703,054	188,833	168,334
Transferred to liabilities and reserves	3,665,375		
	28,102,907	2,543,882	2,301,011
Expenditure			
Claims and pension awards	8,975,745	380,700	459,572
Transfers tp			
Estimated liability for future costs of existing claims	13,370,180	1,029,895	830,265
Disaster reserve	4,256,266	468,120	420,675
Enhanced disabilities reserve	425,626	46,811	42,068
Recapitalization reserve	2,158,348	235,506	213,312
Interest transferred to liabilities and reserves	3,665,375		
Occupational Health and Safety	2,485,655	801,102	187,270
Administrative	2,873,907	318,653	284,060
	38,211,102	3,280,787	2,437,222
Excess of expenditure over revenue	(10,108,195)	(736,905)	(136,211)
Provisional operating reserve (deficit), beginning of year	4,775,496	547,986	1,296,630
Provisional operating reserve (deficit), end of year	$(5,332,699)	$ (188,919)	$ 1,160,149

EXHIBIT 6

OF NEWFOUNDLAND AND LABRADOR

Provisional Operation Reserve (Deficit) by Classes)
December 31, 1982

Class 3 Manufacturing	Class 4 Construction	Class 5 Transportation	Class 6 Distribution and Service	Class 7 Fishing	Class 9 Self-Insurers	Transferred to Liabilities and Reserves
$ 2,300,356	$ 3,761,927	$ 1,814,290	$ 4,025,030	$ 5,150,205		
					$1,194,944	
181,912	281,622	140,025	319,355	422,973		
						$ 3,665,375
2,482,268	4,043,549	1,954,315	4,344,385	5,573,178	1,194,944	3,665,375
985,628	1,825,658	519,530	1,262,540	2,347,173	1,194,944	
1,246,108	3,617,027	1,214,990	2,349,775	3,082,120		
454,587	727,784	353,626	795,580	1,035,894		
45,459	72,778	35,363	79,558	103,589		
230,498	380,865	181,135	402,180	514,852		
						3,665,375
202,372	313,302	155,775	355,280	470,554		
306,968	475,232	236,287	538,906	713,801		
3,471,620	7,412,646	2,696,706	5,783,819	8,267,983	1,194,944	3,665,375
(989,352)	(3,369,097)	(742,391)	(1,439,434)	(2,694,805)		
317,014	2,045,387	1,117,805	(341,696)	(207,630)		
$ (672,338)	$ (1,323,710)	$ 375,414	$ (1,781,130)	$(2,902,435)		

EXHIBIT 7

THE WORKERS' COMPENSATION BOARD OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements

December 31, 1982

1. Accounting policies

Assessments receivable

i) No provision has been made in the financial statements to provide for revisions in 1982 assessments based on actual payroll returns filed by employers.

ii) **Write-offs of uncollectible assessment balances are charged against assessment revenues.**

Investments

i) A gain or loss on an exchange of investments is deducted or added to the cost of a new investment and amortized to its maturity or call date.

ii) Investment income
Interest earnings are allocated on the basis of 10.4% to the liability for pension awards and the balance prorated to the classes.

Capital expenditures and depreciation

Cost of office machines and other equipment are charged to expense in the year of acquisition. Capital items acquired in excess of normal requirements are amortized on the straight-line basis over the anticipated useful life of the assets and in this category are:

	Annual Rate
Building	2 1/2%
Furniture and fixtures	10%

Estimated liability of future costs of existing claims

This liability represents the estimated amount required to meet all future costs in respect of 1982 and prior years' accident claims.

The current year's liability is based on 100% of 1982 compensation costs, 150% of 1982 medical aid costs and 125% of 1982 pension awards. The prior years' liability is based on 13% of the total compensation, medical aid and pension awards for the previous five years.

Liability for pension awards

The purpose of the liability is to set aside amounts to provide for the future payments on established pensions.

The capitalization of pensions and the resulting calculation of the pension liability is determined on an actuarial basis, revised every three (3) years.

The latest actuarial report was prepared to December 31, 1979. An actuarial report to December 31, 1982 is currently being prepared.

Transfers to reserves

Transfers to reserves for Disaster, Enhanced Disabilities and Recapitalization are calculated as a percentage of annual assessments revenue as follows:

	1982	1981
Disaster	**20%**	**10%**
Enhanced disability	**2%**	**1%**
Recapitalization	**10%**	**10%**

2. **Investments**

	Par Value	Book Value
Newfoundland and Labrador Hydro	$16,600,000	$16,934,212
Province of Newfoundland and Labrador	15,517,000	15,667,369
City of St. John's	3,622,000	3,667,152
Ontario Hydro	2,200,000	2,669,922
Newfoundland Light and Power Company Limited	2,200,000	2,201,720
Government of Canada	2,025,000	2,091,025
Newfoundland Telephone Company Limited	2,061,000	1,978,207
Central Trust Company	500,000	500,000
Roymar - Royal Bank	500,000	500,000
Transalta Utilities Corporation	300,000	383,818
Nova Scotia Municipal Authority	357,000	354,391
Bell Canada	354,000	310,554
Grace Hospital Extension Corporation	300,000	292,159
Credit Foncier	200,000	200,000
Other	592,000	557,726
	$47,328,000	$48,308,255

The approximate fair market value of the investments as at December 31, 1982 amounted to $40,944,255.

3. **Land, building, furniture and fixtures**

	1982			1981
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	$ 10,830		$ 10,830	$ 10,830
Building	4,110,098	$ 397,504	3,712,594	3,645,602
Furniture and fixtures	317,975	56,207	261,768	38,891
	$4,438,903	$ 453,711	$3,985,192	$ 3,695,323

4. **Contingent liabilities**

On February 15, 1982 a major ocean disaster occurred with the sinking of the drill rig, Ocean Ranger and the consequent loss of eighty-four (84) lives. Subsequently, the Board acknowledged a potential liability to families of the victims should claims proving dependancy be filed in this regard.

During 1982, dependants of twenty-two (22) of the victims filed for and received benefits amounting to $2,432,500.

No estimate of the amount of future liability can be determined because of uncertainties of dependancy status, and the results of legal proceedings against third parties which could result in a reduction or recovery of payments made by the Board.

5. **Occupational Health and Safety**

Expenditures for 1982 include an amount of $1,182,000 (1981 - $1,187,000), representing payments of costs incurred by the Occupational Health and Safety Division of the Department of Labour and Manpower on the Labrador Dust Study.